EXHIBIT 8

Commitment Committee Memorandum

Date of Meeting *Wednesday, March 3, 1999*

Committee **High Yield - New York**

Jessica Palmer	*7WTC-32nd*	*John Dye*	*388-32nd*
Carol Healy	*7WTC-32nd*	*Robert S Rubin*	*388-39th*
Michael Christenson	*7WTC-30th*	*Steve Jones*	*388-10th*
Ted Becker	*7WTC-29th*	*Randy Barker*	*390-4th*
Tom Maheras	*390-4th*	*David Bushnell*	*390-8th*
Robert Case	*388-34th*	*Patrick Ryan*	*390 5th*
Myrna Cruz	*388-34th*	*Chad Leat*	*390-5th*
Michael Klein	*388-33rd*	*Bebe Duke*	*390-8th*
Brad Gans	*388-32nd*		

PLEASE DELIVER TO THE FOLLOWING BY MESSENGER

Dick Trask (559-6665) *Citibank 5th Floor*	*399 Park Avenue (5th)* *New York, NY 10043*	*Jolie Eisner (559-3498)* *Citibank 11th Floor*	*399 Park Avenue* *New York NY 10043*
Ann Lane (559 5307) *Citibank 11th Floor* *Zone 19*	*399 Park Avenue (5th)* *New York NY 10043*	*Tim Freeman (559-4659)* *Citibank 11th Floor* *Zone 20*	*399 Park Avenue* *New York NY 10043*

DELIVER BY INTEROFFICE MAIL

Control Group Attn John Benesch *388-20th*

Name of Transaction Adelphia / Rigas Family Cable Systems Credit Facility (UCA/HHC Borrowing Groups)

2004C 011959

EXHIBIT
Clippeng
8/29/06

DATE March 3, 1999

TO The Capital Commitments Committee

FROM

IBD Media Group	Bank Loan Group	Corporate Credit
Michael Anderson	Mavis Taintor	Patrick Ryan
Todd Alexander	Caesar Wyszomirski	Steven Eckert
Christopher Clipper	Michelle Sandoval	Nicolas Emi
Christopher Gunther	Lynn Akashi	
Joseph Fayyad		
Mark Noble		

RE **Adelphia / Rigas Family Cable Systems Credit Facility (UCA/HHC Borrowing Groups)**

Up to $250 Million in an Underwriting Agent Role for a $700 Million Bank Credit Facility

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Table of Contents

1 Executive Summary

This memorandum recommends approval for Salomon Smith Barney ("SSB) to commit up to $250 million in an underwriting agent role for a proposed $700 million senior credit facility for cable entities owned by both Adelphia and the Rigas family (Adelphia's largest shareholder) currently included in the UCA Corp and Affiliates ("UCA") and the Hilton Head Communications ("HHC") credit agreements The cable entities under the UCA credit agreement (the "UCA Borrowing Group") and the cable entities under the HHC credit agreement (the "HHC Borrowing Group") will be combined under the proposed $700 million credit facility and will collectively be referred to as the "Borrowers" or "Borrowing Group" The Borrowers are anticipating placing $400 million of the credit facility (in the form of a reducing revolving credit) through commercial banks with the remainder to be placed with other institutions as a *pari passu* term loan "B tranche When combined, the UCA and HHC bank loan agreements had original commitments of $550 million which have been reduced to the present level of $440 million The current lenders to the UCA Borrowing Group and HHC Borrowing Group are primarily banks with long term and strong relationships with both Adelphia and the Rigas family

The use of proceeds from the new credit facility will be to refinance existing indebtedness from the UCA and HHC credit agreements of $440 million and to make a $180 distribution to the Rigas family The Rigas family intends to use the proceeds of this distribution to purchase equity securities from Adelphia concurrent with the sale of approximately $500 million of equity to the public in a registered offering to be completed in the next 4-6 weeks Adelphia recently announced the $2 1 billion acquisition of FrontierVision, a privately held cable concern with 702,000 subscribers and is issuing the equity to finance the cash portion of the acquisition consideration as well as to further de-lever Adelphia's balance sheet The Borrowers would like to close the facility by March 15, 1999

2 Description of Borrowing Group

Ownership

The cable entities that comprise the UCA Borrowing Group include UCA Corporation and Grand Island which are 100% owned by Adelphia Of the cable entities that comprise the HHC Borrowing Group, 72,000 of the 255,000 subscribers contributed are owned by the Rigas family through Hilton Head Communications, L P , with the remainder of the 255,000 subscribers contributed by Adelphia The Borrowing Group will be combining the assets and obligations of the of the UCA Borrowing Group and the HHC Borrowing Group as the base for the proposed credit facility The names and ownership of the individual entities in the new credit facility are as follows

Cable Entity	Ownership	Current Borrowing Group	Cable Subscribers
UCA Corporation	100% Adelphia	UCA	136 000
Grand Island	100% Adelphia	UCA	4 000
National Cable Acquisition Associates, L P	100% Adelphia	HHC	139 000
SVHH Cable Acquisition, L P	100% Adelphia	HHC	34 000
Tele-Media Company of Hopewell Prince George	75% Adelphia	HHC	10 000
Hilton Head Communications, L P	100% Rigas	HHC	72 000
			395 000

Note See Tab C for more detailed organizational chart

Historical audited financial statements exist for both the UCA Borrowing Group and the HHC Borrowing Group Going forward, audits will be performed annually on the combined Borrowing Group under the new credit facility

Location of Systems

The cable systems owned by the Borrowing Group are located in the following areas and are highlighted in the map by county

- Hilton Head S C
- Southern Florida Palm Beach County, Broward County,
- South/Central Florida Osceola County Polk County (south of Orlando)
- Suburban communities to the north and west of Philadelphia, in Montgomery and Delaware countries
- 17 suburban communities northwest of Pittsburgh and in eastern Pennsylvania and parts of eastern Ohio outside of Cleveland
- Virginia (small suburban areas), including some areas of North Carolina
- 14 communities in southwestern Michigan, southwest of Kalamazoo, Michigan

The systems described above include areas that are typically high growth and affluent in nature which have helped drive the Borrowing Group s superior penetration and profit margins For example, the systems in southern Florida serve the fastest growing areas in the state and in the nation over the last decade Hilton Head Island has been one of the top year round tourist destinations on the east coast for many years The systems outside of Philadelphia serve the affluent suburban communities of the largest city in Pennsylvania Other systems, located in Virginia, North Carolina, Ohio and Michigan are suburban and rural in nature and tend to have superior penetration rates and average growth

Borrowing Group's Assets (Technical Assessment)

The Borrowers have made a substantial commitment to the technological development of its cable plant At September 30, 1998, approximately 55% of the combined systems delivered at least 550 MHz of capacity Management's projections include rebuild capital expenditure spending of approximately $73 million over the next 2 5 years At completion of the rebuild, projected by 2001, 100% of the combined systems will have been rebuilt to at least 550 MHz and 75% of the combined systems will have been rebuilt to 750MHz

Currently the Borrowing Group's cable systems have the following technical capabilities

	9/30/98	% Total Miles
Total Plan Miles	8 025	100 0%
Aerial Miles	4 952	61 7%
Underground Miles	3 074	38 3%
Fiber Route Miles	1 153	14 4%
Fiber Strand Miles	26 238	NA
Fiber Nodes	1,076	NA
Homes Per Node	491	NA
750 MHz Miles	2 273	28 3%
550 MHz Miles	2 082	25 9%
< 550 MHz Miles	3 671	45 7%
2-Way Capable Miles	4 355	54 3%
Upgrade Required Miles	3 671	45 7%

3 Adelphia Company Description

Adelphia owns, operates, develops and acquires cable television systems and based on the number of basic subscribers in its currently owned and managed systems is the seventh largest cable system operator in the United States Pro forma for all announced acquisitions (including FrontierVision) and including Parnassos, the Adelphia's owned and managed cable systems serve approximately 3 0 million subscribers Adelphia also founded and developed, and continues to own a 67% interest in, Hyperion Communications, one of the largest domestic, independent, facilities based competitive local exchange carriers ("CLEC") Parnassos is Adelphia s 67% owned cable television joint venture with TCI serving approximately 475,000 subscribers

Adelphia's cable television operations strategy is to construct and operate a broadband network capable of offering a broad range of telecommunications services and to provide superior customer service while maximizing operating efficiencies Adelphia has built on its expertise as a cable television provider to expand its product offerings to include high-speed internet access, long distance telephone service and paging services

FrontierVision Acquisition and Related Financings

Adelphia Communications recently announced the $2 1 billion acquisition of privately held cable concern FrontierVision The acquisition valued at approximately $2 1 billion will give rise to a significant amount of bank and public debt and equity financing over the next two months The acquisition will be financed through (i) approximately 7 0 million Class A shares of ADLAC stock, (ii) and $550 million in cash and (iii) the assumption of $1 11 billion of debt

The current proposed financing structure will include (i) $500 million from concurrent common and convertible preferred offerings, (ii) $400 million in high yield debt financing at Adelphia and (iii) $500 million of refinanced FrontierVision bank debt With proceeds from the proposed bank facility, the Rigas family plans to purchase an additional $180 million of equity in conjunction with the $500 public equity offerings

4 Salomon Smith Barney Relationship

Salomon Smith Barney has an excellent relationship with Adelphia as evidenced by our lead role in numerous equity and debt transactions Over the last 24 months Salomon Smith Barney has lead or sole managed debt and equity offerings totaling over $2 2 billion for Adelphia and its majority owned CLEC subsidiary, Hyperion Communications The following is a summary of transactions completed for Adelphia and Hyperion

Date	Adelphia Transactions	SSB Role
2/97	$350 million Senior Notes	Sole Manager
7/97	$150 million Cumulative Exchangeable Pfd Stock	Lead Manager
7/97	$150 million Senior Notes	Lead Manager
9/97	$325 million Senior Notes	Sole Manager
1/98	$150 million Senior Notes	Sole Manager
5/98	$230 million IPO for Hyperion Communications	Lead Manager
8/98	$150 million Follow on Common Stock	Lead Manager
11/98	$150 million Senior Notes	Joint Lead Manager
11/98	$700 million Bank Credit Facility (Parnassos)	$50 million Participation
1/99	$400 million Senior Notes	Lead Manager
2/99	$300 million Senior Sub Notes for Hyperion	Lead Manager

Total fees earned by Salomon Smith Barney from Adelphia and Hyperion over the last 24 months are approximately $28 million Additionally, the cable sector is a critical franchise to the Media Group and Adelphia has been recognized as a "priority" account

5 Salomon Smith Barney Credit Exposure

Parnassos Bank Facility

In November 1998, Salomon Smith Barney committed $50 million to a $700 million bank facility for newly formed Parnassos Communications, Adelphia s 67% owned joint venture with TCI The joint venture serves approximately 475 000 subscribers in Western New York and had an LQA EBITDA of approximately $106 million as of September 30, 1998 The use of proceeds from the bank financing was to refinance debt incurred in financing the joint venture and for working capital purposes At time of closing in January 1999, SSB was allocated down and continues to hold a $35 million position as a managing agent in the facility

Existing SSB Margin Loan

In conjunction with a 4 6 million public offering of Class A Common Stock at $32 00 on August 12, 1998 (lead managed by SSB), the Rigas family purchased 4 1 million Class A shares at the offering price, net of the underwriting discount The purchase was financed through a $75 million margin loan extended by SSB and an additional margin loan extended by NationsBanc Montgomery Securities Class A shares pledged to SSB equal 8 5 million and shares pledged to NationsBanc equal 9 4 million which underlie an unregistered private convertible preferred Terms of the SSB margin loan are as follows

Amount	S75 million initially S77 million currently with accreted interest
Borrower	Newly formed special purpose subsidiary of Highland Holdings an existing Rigas Family partnership
Collateral	8 5 million Class A Shares
Term	360 day revolver; renewable at borrower's option
Interest Rate	SSB Base Rate -1%
Use of Proceeds	To purchase 2 45 million Class A Shares of Adelphia
Additional Security	Personal guarantees by the Rigas brothers who are executives of Adelphia includes Michael (Executive VP and COO), Timothy (Executive VP and CFO), and James (Executive VP of Strategic Planning)
Margin Calls	Met by liquidation of securities or deposit of cash

6 Credit Facility Overview

The proposed senior secured credit facility will consist of a S400 million 8 5 year Reducing Revolving Credit Facility (of which it is anticipated S320 million will be drawn at closing) and a S300 million 8 5 year bullet amortization Term Loan B The facilities may be increased by S100 million, but lenders will not be obligated to participate Initial pricing for the Term Loan B will be LIBOR +250bps with no pricing grid Initial pricing for the Revolving Credit Facility will be LIBOR +175bps with step downs in pricing tied to leverage according to the following schedule

Less Than	But Greater Than or Equal to	Alternate Base Rate (bps)	LIBOR + (bps)
6 50x	6 25x	75 0	175 0
6 25	6 00	62 5	162 5
6 00	5 75	37 5	162 5
5 75	5 25	0	100 0
5 25	4 75	0	75 0
4 75		0	62 5

The unused commitment fee on the revolving credit will be 37 5bps which decreases to 25bps when leverage is below 5 0x Proceeds from the S700 million bank facility will be used to refinance existing UCA and HHC Borrowing Group debt and to finance partnership distributions as follows

(S millions)

Sources	Amount	Uses	Amount
Revolving Facility	S320 0	Refinance Existing Debt	S440 0
Term Loan	300 0	Partner Distributions	180 0
Total	**S620 0**	**Total**	**S620 0**

Security and Covenants

The credit facilities will be unsecured with (i) negative pledges of the partnership interests and capital stock of the Borrowers and their subsidiaries and, (ii) negative pledges on all assets The financial covenants will include a leverage ratio, an interest and fixed charge coverage test as well as a pro forma debt service test The credit agreement will contain restrictions on asset sales, additions to total debt, investments and distributions Additionally, customary management fees paid to Adelphia by the Borrowing Group (for management of the assets) will be subordinated to the senior debt and limited to 5% of gross revenue

Overview of Syndication Strategy

Adelphia distributed an RFP to approximately 12 institutions to lead this deal, including five incumbent agents CIBC, Toronto Dominion, First Union, Societe Generale and Credit Lyonnais Banks are being asked to commit to the terms outlined in the RFP The two partnerships currently have two credit facilities in place, aggregating $440 million ($550 million originally) from 17 lenders Adelphia has indicated that they have received at least 10 commitments to date on their proposed terms with several institutions submitting fully underwritten proposals at 50bps up front Based on these attractively priced commitments, Adelphia has decided to proceed with a fully underwritten transaction

The Company will name its Arranger banks no later than March 3 While they have indicated that Citi/SSB has an opportunity to be mandated a league table role, the Company also acknowledges our challenges in this race which include (i) we are currently not an existing lender to UCA or HHC and need to analyze the credit, and (ii) there is a strong "legacy issue" here wherein the incumbent banks see this as a piece of business to lose, and will therefore be extremely competitive in this bid

Once mandated, the Arrangers will be expected to execute the general syndication at a rapid pace, launching the week of March 8, closing the syndication no later than March 23, and closing of documentation concurrent with the anticipated equity offering Titles and tiers anticipated are

# of Banks	Titles	Commitment	Aggregate Commitments	Expected Allocations
3	Arranger	$250 0	$750 0	$50 0
6	Managing Agent	25 0	150 0	25 0
6	Co-Agent	15 0	95 0	15 0
15-20	Institutional Tranche	10 0 - 20 0	300 0	10 0 20 0

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This transaction represents an opportunity for Citi/SSB to uptier with this client We participated as a Managing Agent in the Parnassos (Adelphia/TCI) deal, and a lead role on this transaction would put us in good position to garner a lead role on upcoming financings for the Adelphia/FrontierVision acquisition

The Company has indicated that upfront fees for a $250 million agent commitment will be 50 0bps Our expectation is based on fees paid on the Parnassos transaction, as well as other recent cable deals While the Managing Agent tier on the Parnassos transaction was paid 50bps for a $50 million ticket, it is our understanding that the Arrangers were paid 70bps for a $125 million commitment Other recent Managing Agent commitments include Bresnan, $35 million at 75bps and Texas Cable, $60 million @ 87 5bps We do believe that upfront fees are somewhat light in comparison to other deals, but appropriate given the large existing commitments in place and Adelphia's strong market following

Comparable Pricing (See tab F for an analysis of comparable bank loan transactions)

The most recent comparable cable transactions include TWFanch, Bresnan Communications, Texas Cable, and Parnassos Both TWFanch (priced at L+225bps / L+275bps) and Bresnan (priced at L+200bps / L+275bps) were 1Q99 transactions that were heavily oversubscribed syndications Texas Cable and Parnassos were 4Q98 transactions both priced at LIBOR+200bps Based on these transactions, we conclude that baseline pricing for cable transactions is LIBOR+200bps on the bank tranche and LIBOR+275bps on the institutional tranche

While the proposed coupon of LIBOR+175bps on the revolving credit is aggressive compared to the most recent transactions, we do believe the deal gets done based on the following (i) the existing lenders viewing this transaction as a rollover of current exposure, and (ii) the recent success of cable deals in the market

Term Loan B pricing of LIBOR+250bps is inside both the TWFanch and Bresnan institutional tranches Given the approximately 2x+ oversubscription of these two deals, we believe that the Term Loan B pricing is at market

It should be noted that a $3 5 billion deal for Charter Communications was launched late last week Pricing on the deal includes a $1 1 billion Term Loan B priced at LIBOR+250bps, and $2 4 billion in pro rata paper priced at LIBOR+175bps (the pro rata tranches will be launched in late March) This will be a benchmark transaction as it is the largest non-investment grade cable deal in the bank market, and will test the markets pricing and capacity

Comparable Security

The proposed collateral package includes a negative pledge only on assets, partnership interests and capital stock of the Borrowing Group and their subsidiaries Comparatively, the typical collateral package in the most recent cable transactions includes a pledge of stock and partnership interests The exception here is the June '98 Lenfest (BB) deal, which also had a negative pledge only We believe that the proposed structure is aggressive, but can be executed in today's market if investors are bullish and give full value to Adelphia's improving credit profile We have discussed the collateral issue with Adelphia and believe that the Company will be prepared to give stock pledge if necessary to ensure a strong execution

Potential Investors

Potential RC investors include the 17 existing lenders to the UCA and HHC credit facilities as well as the additional 40 banks in the other Adelphia facilities The existing lenders are expected to roll their commitments to the new RC The Term Loan B tranche is expected to be syndicated to the institutional investors that have participated in the TWFanch and Bresnan transactions, including the 10 funds already participating in other Adelphia facilities Additionally, we believe that the term loan B will also appeal to the banks

Hit Ratio Analysis

Hit rates for this syndication are expected to be near the 90% range, as this transaction will principally be syndicated to existing lenders As noted earlier, it is expected that the majority of lenders will roll their commitments The only anticipated drops may come from the Japanese banks (BOTM $11 6 million and Sumitomo $16 3 million), however that exposure may be covered from commitments from new banks including those competing for Arrangers roles, such as Citi/SSB

Syndication Calendar

Date	Event
March 5	Arrangers mandated
March 8	General syndication launched
March 22	Syndication closes
April 1	Documentation closes concurrent with equity issue

Allocation Strategy

Arrangers are being asked to commit $250 million to this transaction with an expected buy down to the $50 million level It is expected that tiers of $25 million and $15 million will be offered in the general syndication with the expectation to raise approximately $250 million on the revolving credit, and $300 million on the Term Loan B With the exception of the Arrangers, all commitments will be on a buy and hold basis (see table above)

Key Success Factors

Key Success Factors	Poor	Average	Very Good	Excellent
Company / Borrower			X	
Story		X		
Industry		X		
Market Conditions			X	
Deal Size			X	
Credit Statistics		X		
Pricing / Tenor		X		

Company/Borrower Very Good Adelphia the parent company, is currently the 7th largest MSO in the US (pre-FrontierVision acquisition) with a well regarded management team On a stand alone basis, HHC and UCA have 395,000 subscribers in areas that are typically high growth and affluent which has driven the superior penetration and profit margins The Borrowing Group will generate $98 2 million in EBITDA for the fiscal year ending 3/31/99

Story Average Adelphia is trying to rationalize its bank facilities for these subsidiaries by rolling them into a single facility In addition, this transaction will allow for a distribution to the Rigas family, who will in turn invest those proceeds into Adelphia

Industry Average The cable industry is transforming into a competitive provider of advanced telecommunications services Cable companies are in the building phase and will make significant capital expenditures in the next two years However, the industry is stable and has a very marketable base business The operating statistics such as EBITDA margins and subscriber growth are robust

Deal Size Very Good The $700 million deal size is within the parameters for cable transactions In this case, the bifurcation of $400 million in bank tranches and $300 million in Term Loan B facilities takes advantage of the buoyant institutional market on the heels of the blowout syndication of both Bresnan and TWFanch

Market Conditions Very Good The bank market has shown signs of improvement in 1Q99 Spreads and fees have stabilized The institutional market has rebounded driven primarily by a supply/demand imbalance The success of the TWFanch and Bresnan syndications confirms the current favorable market conditions for cable transactions

Credit Statistics Average On a combined basis and for the fiscal year ending 3/31/99, the Borrowing Groups will have Total Debt/LQA EBITDA of 6 2x and LQA EBITDA/Interest Expense of 2 1x These ratios are in within the market parameters of the TWFanch and Bresnan transactions

Pricing/Tenor

Average The drawn pricing of LIBOR+175bps bank and LIBOR+250bps for Term Loan B are on the aggressive end of the range of recently launched transactions However, the strong and loyal group of existing lenders to the two Adelphia partnerships and the robust demand for cable assets in the institutional market give us comfort that the deal will be successful Tenor of 8 5 years is standard for cable transactions

The credit facilities will be priced as following

($ millions)

Facilities	Amount	Pricing	Tenor
Revolving Credit Facility	$400 0	LIBOR + 175bps	8 5 yrs
Term Loan B Facility	$300 0	LIBOR + 250bps	8 5 yrs

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7 Historical and Projected Financial Data

(see tab D for audited financial data and tab E for full management projection models and SSB Downside projection model)

Historical Financial Data

Presented below is a summary of the combined income statement for the borrowing group created by management Audited financial statement are available for each UCA and Hilton Head Communications *(see Tab D)*

($ in millions)	Actual 03/31/96	Actual 03/31/97	Actual 03/31/98	PF LQA (a) 9/30/98
Total Revenues	$138 870	$150 222	$151 896	$166 918
Expenses				
Direct Operating & Programming	34 414	39 195	41 269	45 912
Selling General & Administrative	17 237	16 282	16 981	16 759
Management Fees	6,798	7,110	7,330	7,905
Total Operating Expenses	58 449	62,587	65 580	70,576
EBITDA	80 421	87 635	86 316	96 343
EBITDA Margin	*57 9%*	*58 3%*	*56 8%*	*57 7%*
Basic Subscribers	382 871	389 097	392 288	392 654
Basic Penetration	74 0%	70 7%	73 9%	74 4%
Monthly Revenue/Basic Sub	$32 18	$33 83	$34 09	$35 52

(a) Pro forma for a 20 000 sub swap at HHC in the fourth quarter of 1999

Note Figures are not comparable over time and may not match the audits due to system swaps and certain other acquisitions and divestitures Management estimates that pro forma same system revenue and cash flow growth has been approximately 8% and 7% respectively

Management Projections

Management's forecast does not incorporate any acquisitions or revenue generated from telephony service The forecast does incorporate capital expenditures needed to upgrade the systems in 1999, 2000 and 2001 which will allow the Borrowing Group to provide additional services Future revenue growth and cash flow is driven by the introduction of additional services, including digital video and high-speed internet access The principal drivers of the revenue increase is calculated by the average number of projected subscribers of each service times the pricing point of each service EBITDA is derived by assigning margins, based on management's expected costs for each service, to each revenue source Management fees of approximately 5% of revenues are included in the margin assumptions Additionally, liquidity may be limited in 1999 with approximately 88% of the credit facility funded However, this ratio improves over time as the Borrowing Group generates substantial free cash flow

Summary Projected Financial Data (Management s Base Case)

MANAGEMENT'S SCENARIO Financial Summary	LQA	Projected fiscal year ended March 31				
		0	1			
	9/30/99	1999	2000	2001	2002	2003
Revenues	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Growth			[illegible]	10.5	[illegible]	[illegible]
EBITDA	$96,429	[illegible]	$105,363	$115,858	[illegible]	[illegible]
Margin	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Interest Expense		[illegible]	$43,946	$41,414	[illegible]	[illegible]
Total Capex		[illegible]	[illegible]	[illegible]	29,673	[illegible]
Total Debt	620,000	612,893	[illegible]	$14,429	429,785	[illegible]
Ending Cash Balance (after debt repayment)		$4,000	$4,000	$4,000	$4,000	[illegible]
Free Cash Flow		[illegible]	[illegible]	23,019	[illegible]	[illegible]
Cumulative Free Cash Flow		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cumulative Free Cash Flow / Initial Bank Debt		1	[illegible]		[illegible]	30
CREDIT RATIOS						
EBITDA / Int Expense		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EBITDA Capex / Int Expense		[illegible]	3	[illegible]	[illegible]	[illegible]
Senior Debt / EBITDA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Debt / EBITDA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Under management s plan, the Borrowing Group generates approximately S437 million in free cash flow in six years and S789 million in eight years with free cash flow generation beginning immediately

Summary Projected Financial Data (SSB Downside Case)

The following downside projections to management's base case include the following changes to management's assumptions (i) Digital video and cable modem subscriber growth is cut in half every year and (ii) beginning in 2000, EBITDA margins for analog video, advertising, digital video and cable modem service are all decreased by 5% (to 95% of the original margin assumption)

SSB Case Financial Summary	LQA	Projected fiscal year ended March 31				
		0	1			4
	9/30/98	1999	2000	2001	200[illegible]	[illegible]003
Revenues	$167,338	$170,834	$181,95[illegible]	$ [illegible]	$[illegible]	[illegible]
Growth			6.5	[illegible]	6	[illegible]
EBITDA	$96,629	$98,213	$99,[illegible]	$ [illegible]	$ [illegible]	$ 19[illegible]
Margin	[illegible]	[illegible]	[illegible]	54.4	[illegible]	[illegible]
Total Interest Expense		$[illegible]	$44,159	$[illegible] 119	$39,[illegible]	$3[illegible]
Total Capex		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Debt	620,000	612,892	59[illegible]	[illegible]	[illegible]	[illegible]
Ending Cash Balance (after debt repayment)		$4,000	$4,000	$4,000	$4,000	$4,000
Free Cash Flow		[illegible]108	[illegible]810	13,[illegible]	[illegible]	[illegible]
Cumulative Free Cash Flow		108	[illegible]	[illegible]	[illegible]	[illegible]
Cumulative Free Cash Flow / Total Bank Debt		1.1	[illegible]	[illegible]	1.6	0.6
CREDIT RATIOS						
EBITDA / Int. Expense		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EBITDA Capex / Int. Expense		[illegible]	1.[illegible]	[illegible]	1	[illegible]
Senior Debt / EBITDA	6.4x	[illegible]	6.0	[illegible]	[illegible]	3
Total Debt / EBITDA	6.[illegible]	[illegible]	6.0	[illegible]	3	3.[illegible]

Under the down-side scenario, the Borrowing Group generates approximately $281 million in free cash flow in six years and $481 million in eight years with free cash flow generation beginning immediately

8 Valuation

We have valued the Borrowing Group based primarily on our cable television industry comparable companies analysis and recent private market transactions (see tab B) Historically, investors have focused on forward EBITDA multiples in valuing cable companies and to a lesser extent on basic subscriber multiples Public cable companies have historically traded in a narrow multiple range However, given recent developments in the industry, such as the development of new broadband revenue streams and the entrance of high profile investors including Microsoft, Paul Allen and AT&T, the range of EBITDA trading multiples has widened The relative valuations of companies within the range of multiples is determined by a number of factors which include

- Clustering and market size
- Potential for new revenue streams (digital services, Internet access and telephony)
- Size of cable television systems / affiliation with larger operators and size of markets
- Plant quality and condition and capital requirements for plant upgrade
- Potential for consolidation / Presence of competition
- Management

Multiple Analysis ($ in thousands)

	Public Market Valuation		Private Market Valuation	
1999 Multiple Range	12 0x	14 0x	12 0x	14 0x
1999E EBITDA (a)	$103,576		$103,576	
Firm Value Range	$1,242,906	$1 450 057	$1,242,906	$1 450 057
Less Total Debt	620 000		620 000	
Equity Value	$622,906	$830 057	$622,906	$830 057
Senior Loan / FV	49 9%	42.8%	49 9%	42.8%

Per Subscriber Analysis ($ in thousands)

	Private Market Valuation		
Actual Value Per Sub Range	$2 700		$3 200
Subscribers Assumption	392 654		
Firm Value Range	$1 060 166	-	$1 256 493
Less Total Debt	620 000		
Equity Value	$440 166		$636 493
Senior Loan / FV	58 5%		49 3%

(a) Reflects estimated calendar 1999 EBITDA which is calculated by taking 25% of FYE 1999 and 75% of FYE 2000

While the Borrowing Group's systems are very attractive today due to the fact that system upgrades are already well under way, as the rest of the cable plant is upgraded to provide more services and increased cash flow, the system becomes more of a strategic fit for many existing cable operators

Based on the midpoint of SSB's per subscriber private market firm value range ($2,950 per sub), the Borrowing Group possesses a Senior Loan to Value ratio of 53 5%

Capitalization

Using the mid-point of our high and low per subscriber private market valuations of $1 16 billion the debt to market capitalization is an acceptable 53 5%. Based on our private market valuation range, the funded loan-to-value range is 49 3% - 58 5%

(dollars in thousands)	Based on Market Value of Equity (a)	
	Pro Forma	%
Cash and Cash Equivalents	4 000	
Long-term debt including current maturities		
Revolver	320 000	27 6%
Term Note	300 000	25 9%
Total long-term debt	**620,000**	53 5%
Total stockholders equity (deficiency)	538 329	46 5%
Total Capitalization	**1 158,329**	100 0%

(a) Based on mid point of private market valuation Implies an approximate value of $2 950 per subscriber

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9 Management

Adelphia serves as manager and operator of the systems owned by the Borrowing Group and receives a fee of no more than 5% of revenue for such service Adelphia s Chairman and CEO, John Rigas, is one of the pioneers of the cable industry, having built his first system in Pennsylvania in 1952 The senior management group consists principally of John Rigas's sons including Tim Rigas, EVP and de facto (and heir apparent) CEO, James Rigas, EVP of Strategic Planning and CEO of Hyperion, and Michael Rigas, EVP of Operations The Rigas Family has a significant stake in Adelphia, collectively owning approximately 51% of the Company, pro forma for all announced transactions including FrontierVision Additionally, most of the non-executive senior management has been with the Company in excess of 10 years

The senior management team of Adelphia is highly regarded in the industry for its excellent track record and has a strong reputation as an efficient operator Management has managed the growth of the Company from a single operator in Coudersport, PA to one of the country's largest cable system operators with over 3 0 million owned and managed subscribers (pro forma) Despite the significant acquisition activity over its history, Adelphia management has consistently achieved operating margins above 50%, among the highest of all MSOs Managing efficiency in operations was honed through an extended period of comparatively high (>10x) leverage during 1988-1994, exacerbated by cable re-regulation in 1992 and 1994, which also coincided with the early development of Hyperion's networks Management's ability to independently establish and develop one of the largest independent CLECs in Hyperion, with a current market capitalization of almost $600 million, is a strong testament to its capabilities to manage new digital businesses in residential data communications and telephony

As indicated in the Relationship Background section, the banking and research teams of SSB know the senior management of Adelphia well, having worked with them since 1997 in principally all capital market transactions undertaken Our knowledge of Adelphia's operations and management's reputation is extensive based on our due diligence, institutional high yield and equity inquiries and research sponsorship through Spencer Grimes, Steve Schutzman, Jack Grubman and Bob Waldman

Management Biographies

John J Rigas is the founder, Chairman, President and Chief Executive Officer of Adelphia and is President of its subsidiaries He is also Chairman and a director of Hyperion Mr Rigas has served as President or general partner of most of the constituent entities which became wholly-owned subsidiaries of Adelphia upon its formation in 1986, as well as the cable television operating companies acquired by the Company which were wholly or partially owned by members of the Rigas Family John J Rigas is the father of Michael J Rigas, Timothy J Rigas and James P Rigas, each of whom currently serves as a director and executive officer of the Company

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Michael J Rigas is Executive Vice President Operations of Adelphia and is a Vice President of its subsidiaries He is also Vice Chairman and a director of Hyperion Since 1981 Mr Rigas has served as a Senior Vice President, Vice President, general partner or other officer of the constituent entities which became wholly-owned subsidiaries of Adelphia upon its formation in 1986, as well as the cable television operating companies acquired by the Company which were wholly or partially owned by members of the Rigas Family

Timothy J Rigas is Executive Vice President, Chief Financial Officer, Chief Accounting Officer and Treasurer of Adelphia and its subsidiaries He is also Vice Chairman, Chief Financial Officer and Treasurer and a director of Hyperion Since 1979, Mr Rigas has served as Senior Vice President, Vice President, general partner or other officer of the constituent entities which became wholly-owned subsidiaries of Adelphia upon its formation in 1986

James P Rigas is Executive Vice President, Strategic Planning of Adelphia and is a Vice President of its subsidiaries, and also serves as Vice Chairman and Chief Executive Officer and a director of Hyperion Since February 1986, Mr Rigas has served as a Senior Vice President, Vice President or other officer of the constituent entities which became wholly-owned subsidiaries of Adelphia upon its formation in 1986, as well as the cable television operating companies acquired by the Company which were wholly or partially owned by members of the Rigas Family

James R Brown joined the Company in 1984 and currently holds the position of Vice President of Finance Mr Brown graduated with a B S degree in Industrial and Management Engineering from Rensselaer Polytechnic Institute in 1984

10 Investment Considerations

Strong EBITDA Margins

Adelphia's strength as an efficient cable operator is reflected in its overall EBITDA margin of approximately 52 5% (actual, for the quarter ending 12/31/98), among the highest of all MSOs For the quarter ending September 30, 1998, based on management's projections the Borrowing Group's EBITDA margin is an even stronger 57 7% due to its high penetration The Borrowing Group has derived and will continue to derive benefits from its affiliation with Adelphia including the ability to purchase programming and equipment at superior costs This is a significant advantage, as programming cost is the Borrowing Group's largest single expense item and equipment cost is the Borrowing Group's largest single capital expenditure item

Strong Senior Loan to Value Ratio

Based upon a private market per subscriber valuation range of $2 700 to $3,200 the Borrowing Group possesses a Senior Loan to Value ratio of 49 3% - 58 5% based on pro forma senior obligations of $620 million and a SSB estimated private market firm value range of approximately $1 1 to $1 3 billion Consequently, a substantial margin exists between the Borrowing Group's senior indebtedness and the Salomon Smith Barney's estimated collateral value of the systems based on comparable private market transactions

Deployment of Advanced Cable Plant Technology for New Services

Management's plant upgrade plan incorporates an aggressive deployment of fiber to achieve an average of 180 homes passed per fiber node, which is among the highest fiber penetration systems being constructed among all MSOs The benefits from the ongoing upgrade will result in (i) significant improvements in system reliability and operating efficiency, (ii) added channel capacity and increased opportunity to offer broadband services, (iii) increased bandwidth which would serve as an effective defensive measure in the increasingly competitive video market place (e g DBS), and (iv) the Borrowing Group's ability to continue introducing additional advanced services, which will increase revenue and cash flow per subscriber These advanced services include digital video, high speed internet access and impulse-ordered pay-per-view programming

Favorable Market Demographics

The vast majority of the Borrowing Group's' subscribers are located principally in small suburban markets As of September 30, 1998, management estimates the pro forma basic subscriber penetration rate was 74 4%, reflecting limited off-air television reception, absence of competition from MMDS operators and limited penetration of DBS Additionally, the demographics of the market regions are attractive with above average income for comparable size markets nationwide

11 Risk Factors

Based on our experience and due diligence our overall assessment of risk for this transaction is positive Though the following risks are inherent to most leveraged transactions in the cable industry, we feel that the mitigating factors provide reasonable guidance to the likelihood for future default of the proposed facility

Leverage

Pro forma for the proposed transaction, the Borrowing Group will be moderately leveraged at 6 4x based on annualized EBITDA for the quarter ending September 30, 1998 of $96 6 million and debt of $620 million Based on management's cash flow projections for fiscal years 1999 to 2001 (8 6% CAGR), leverage declines to 4 4x in 2001, with free cash flow generation (after interest and capex) starting immediately Comparable companies are leveraged at 6 0 to 8 5x total debt / LQA EBITDA This leverage reflects the capital needed within the industry to upgrade systems, provide new services to subscribers and grow revenues and cash flow Additionally, even without the projected growth in cash flow from new services the systems have stable cash flow from its existing services

Increased Competition from Alternative Cable Television Providers

The cable television systems owned by the Borrowing Group compete with other communications and entertainment media including Direct Broadcast Satellite Systems (DBS) In addition, some of the Regional Bell Operating Companies (the "RBOCs") and other local telephone companies are in the process of entering the video-to-home business and high-speed data / internet access business While competition for new products and services is certain in the future, the threat is not great because access to the crucial "last-mile" into the home is limited, and efforts by local telephone companies to provide cable service have largely been unsuccessful For example, Bell Atlantic recently ended a pilot program in Tom's River, New Jersey (an Adelphia franchise) where it sought to provide cable service through its own constructed system

Uncertain Demand for New Services Requiring Upgraded Plant

Management estimates it will spend an aggregate $73 million in capital expenditures principally to upgrade its cable plant to provide digital services in fiscal years 1999 through 2001 Upgrading these systems with a minimum 550 MHz fiber optic cable plant will allow the Borrowing Group to provide digital video service, high-speed cable modem service and eventually cable telephony While the projections incorporate conservative penetration assumptions for new services (when compared to analyst s projections of other cable companies), these new services will represent a material portion of management's projected future cash flow (11% in 2002, 29% in 2006 and 31 9% in 2008) However, the Borrowing Group's existing video-based cash flow is stable and will adequately service the debt even if value from plant upgrades is not fully realized

Government Re-Regulation

While no legislation regarding cable rate re-regulation is currently being proposed, the threat of such legislation remains Regulation ends in this month and it is widely believed that the industry controls its own fate, i e if the Cable MSOs can successfully regulate themselves and appease Washington with acceptable rate increases, future legislation will not be needed However no assurance can be made that "rogue" operators may not choose to take advantage of the unregulated environment and impose overly aggressive rate hikes, thereby increasing congressional scrutiny and legislative intervention in the future At this time however, we believe this risk is limited, with the industry acting more responsibly in the wake of the re-regulation period

12 Due Diligence

In connection with recent financings, including the August equity and January high yield offerings both lead-managed by Salomon Smith Barney, the Corporate Finance team has conducted business and financial due diligence with senior management including Tim Rigas, CFO, on numerous occasions Salomon Smith Barney's Media / Leisure Corporate Finance team and underwriters' counsel has participated in all due diligence sessions Additionally, members of the equity and high yield research departments have conducted due diligence sessions with management on numerous occasions over the last two years

In conjunction with the proposed facility, the Corporate Finance and Bank Loan teams have conducted significant business and financial due diligence via conference call over the last two weeks regarding the assets underlying the proposed facility

13 Potential Conflicts

The SSB team is not aware of any conflicts pertaining to this transaction

14 Recommendation

Approval is recommended for Salomon Smith Barney to commit up to $250 million in an underwriting agent role for the proposed $700 million senior credit facility

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Appendices

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A. Proposed Term Sheet

New Facilities
Summary of Proposed Terms and Conditions
$700 000 000 Senior Credit Facilities

BORROWERS	HHC, UCA, UCA LLC, National Cable Acquisition Associates L P , Grand Island Cable, Inc , SVHH Cable Acquisition L P and Tele-Media Company of Hopewell-Prince George (the Borrowers")
FACILITIES	$700,000,000 of which $400,000 000 will be a 8 50 Year Reducing Revolving Credit Facility and $300 000 000 will be an 8 50 Year Bullet Amortization Credit Facility (Tranche B)
MANAGING AGENTS	To be determined
LENDERS	The Agents and a group of financial institutions as may be acceptable to the Agents and Borrowers
CLOSING DATE	March 15, 1999
USE OF PROCEEDS	The proceeds of the Facilities shall be used to (i) repay existing indebtedness at Closing, (ii) to make distributions and (iii) fund working capital and general partnership purposes
MATURITY	September 30, 2007
AVAILABILITY	Loans will be made from time to time on a revolving basis subject to the terms and conditions outlined herein
INCREMENTAL FACILITY	The Borrower will be permitted to increase the Facilities by $100,000,000 ("Incremental Facility') Terms of the Incremental Facility shall be no more restrictive than those of the Facilities, and the Incremental Facility shall have an average life of no shorter than that of the Facilities All Lenders will be offered an opportunity to participate in the Incremental Facility but will not be required to do so

SECURITY

The Facilities and all interest rate hedging agreements arranged by any of the Lenders shall be pari passu and unsecured The Lenders will have

- Negative pledges of the partnership interests and capital stock of Borrowers and their subsidiaries,
- Negative Pledges on all assets,
- Subordination of management fees
- Guarantees by restricted subsidiaries

LETTERS OF CREDIT

A portion of the Facilities not in excess of $75 000 000 shall be available for the issuance of letters of credit (the "Letters of Credit") by one of the Lenders which shall be designated to do so (in such capacity, the "Issuing Lender") No Letter of Credit shall have an expiration date after the earlier of (a) one year after the date of issuance, or (b) five business days prior to the termination date of the Facilities, provided that any Letter of Credit with a one-year term may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (b) above)

Drawings under any Letter of Credit shall be reimbursed by the Borrowers (whether with their own funds or with the proceeds of revolving credit loans) on the same business day To the extent that the Borrowers do not so reimburse the Issuing Lender, the Lenders under the Reducing Revolving Facility shall be irrevocably and unconditionally obligated to reimburse the Issuing Lender on a pro rata basis

OPTIONAL AND MANDATORY REDUCTIONS

Optional

Borrower may at its option permanently reduce the Maximum Revolver Availability at any time, without premium or penalty subject to three business days prior written notice All reductions will be applied at borrowers discretion Additionally all costs associated with early termination of LIBOR contract will be borne by the Borrower

Mandatory

Upon completing the sale of an CATV system the Borrower must reduce the Facilities at Borrowers discretion in an aggregate amount equal to the net cash sale proceeds unless such proceeds are reinvested in like assets within twelve months of the sale date provided, however, that any breakage costs associated with the resulting required prepayment of LIBOR-based loans will be for the account of the Borrower

INTEREST RATE OPTIONS

At the Borrowers' option the Facilities will bear interest at either (i) the Administrative Agent's Alternate Base Rate plus the Applicable Margin or (ii) the Administrative Agent's LIBOR rate plus the Applicable Margin The Applicable Margin applicable to the Tranche B Facility shall be in the case of the Administrative Agent's Alternate Base Rate, 1.50% and in the case of the Administrative Agent's LIBOR rate, 2.50% The Applicable Margin applicable to the Reducing Revolving Facility shall be determined on the basis of the Borrowers' ratio of the sum of Senior Funded Debt to Annualized Operating Cash Flow (the "Leverage Ratio") as follows

Less Than	But Greater Than or Equal to	Alternate Base Rate	LIBOR+
6.50x	6.25x	75 bps	175.0 bps
6.25x	6.00x	62.5 bps	162.5 bps
6.00x	5.75x	37.5 bps	137.5 bps
5.75x	5.25x	0.0 bps	100.0 bps
5.25x	4.75x	0.0 bps	75.0 bps
4.75x		0.0 bps	62.5 bps

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LETTER OF CREDIT FEES	A letter of credit fee (to be shared ratably among the Lenders) shall be payable on the aggregate face amount of Letters of Credit outstanding from time to time payable quarterly in arrears at a rate equal to the Applicable Margin for LIBO rate loans
METHOD OF CALCULATION/ INTEREST PAYMENT DATES	All LIBOR interest calculations will be made on the basis of a 360-day year for the actual number of days elapsed All other interest and fee calculations will be made on the basis of a 365/366 day year for the actual number of days elapsed Rate changes will be effective on the second business day after the earlier of (i) the day the Borrower is required to deliver or (ii) the day the Borrower actually delivers, compliance reports to the Administrative Agent and the Lenders Interest periods for LIBOR loans shall be, at the Borrowers option one, two three, six, or (if available) twelve months In .rest on LIBOR loans shall be payable on the last day of the applicable interest period for such loans, and if earlier each 90th day following the commencement of such interest period Interest on Base Rate loans shall be payable quarterly in arrears
DEFAULT RATE	After the date on which any amount becomes due and payable, Borrower shall pay interest on the loans at a rate per annum equal to the Administrative Agent's LIBOR rate plus 2 00%
COMMITMENT FEES	Commitment fees will be (i) 375% per annum when the Leverage Ratio is greater than or equal to 5 00 x and (ii) 25% per annum when the Leverage Ratio is less than 5 00 x on the average unused balance for the quarter under the Facilities, payable quarterly in arrears
REVOLVER COMMITMENT REDUCTIONS	Quarterly reductions of the Revolver shall commence on March 31 2002, and shall occur on each subsequent June 30th September 30th December 31st and March 31st thereafter according to the following schedule

Period	Quarterly Reductions
1/1/2002 - 3 31 2003	3 00%
4/1/2003 - 3 31 2006	4 25%
4/1/2006 - 6/30 2007	5 50%
7/1/2007 - 9/30/2007	6 50%

TRANCHE B AMORTIZATION	The Tranche B facility shall be amortized in full on September 30 2007
MAINTENANCE OF LEVERAGE RATIO	The Borrowers shall not permit the Leverage Ratio to exceed the following levels for each specified period

Period	Ratio
Closing - 6/30/00	6 50 x
7/1/00 - 12/31/00	6 25 x
1/1/01 - 6/30/01	6 00 x
7/1/01 - 12/31/01	5 75 x
1/1/02 - 6/30/02	5 50 x
Thereafter	4 50 x

MAINTENANCE OF CASH INTEREST COVERAGE	At any date of determination, the Borrowers shall not permit the ratio of Operating Cash Flow for the most recently completed quarter to Interest Expense to be less than 1 6 1
MAINTENANCE OF FIXED CHARGE COVERAGE	Beginning June 30, 2001, the Borrowers shall not permit the ratio of Operating Cash Flow to Fixed Charges for the (i) three month period ended June 30, 2001 (ii) the six month period ended September 30, 2001, (iii) the nine month period ended December 31, 2001 or (iv) any period of four consecutive fiscal quarters ending after December 31 2001 to be less than 1 1, provided, however, that Annualized Operating Cash Flow will be used for the calculation of the Fixed Charge Ratio on and subsequent to March 31, 2002 and provided further that if the Leverage Ratio is below 3 5 1, this test shall not apply to such fiscal quarter
MAINTENANCE OF PRO FORMA DEBT SERVICE COVERAGE	At any date of determination, the Borrowers shall not permit the ratio of Annualized Operating Cash Flow to Pro Forma Debt Service to be less than 1 10 provided however if the Leverage Ratio is below 3 5 1, this test shall not apply to such fiscal quarter

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CONSOLIDATION SALE, LEASE OR CONVEYANCE OF ASSETS	The Borrowers shall not make any substantial change in the nature of its business, merge or consolidate with any other corporation, or sell, lease or otherwise dispose of its assets excluding otherwise permitted asset swaps, sales and acquisitions mergers between other Borrowers and restricted subsidiaries and ordinary course business transactions Asset sales of assets or subsidiaries owned by Borrowers as of the Closing Date shall be permitted only with consent of the Majority Banks (which shall not be unreasonably withheld) unless the assets or subsidiaries sold do not exceed as a percentage of Annualized Operating Cash Flow 25% in a single asset sale, or 35% in the aggregate of all asset sales Prior to completing any asset sale over $50 000 000 the Borrowers must demonstrate pro forma compliance with all financial covenants Notwithstanding the foregoing assets acquired after the Closing Date may be sold without the restrictions under this section
ACQUISITIONS	The Borrowers shall not purchase or acquire assets from or the business or assets of, any other person, without the prior written consent of the Majority Banks except (i) in the ordinary course of Business or (ii) if such Acquisitions in the aggregate do not exceed $150,000,000 individually or in the aggregate over the term of the Credit Agreement Prior to consummating any Acquisition with a purchase price greater than $50,000,000, the Borrowers shall be required to provide the Lenders with calculations demonstrating Borrowers' pro forma compliance with financial covenants after giving effect to any proposed transaction The Borrowers will provide security with respect to such acquisitions substantially similar to the existing security

ASSET SWAPS

The Borrowers shall be permitted to enter into asset swaps tha consist of like assets Asset swaps shall not apply against the Acquisition and sale of asset baskets set forth above Asset Swaps of assets owned by Borrowers as of the Closing Date shall be permitted only with the consent of the Majority Banks (which shall not be unreasonably withheld) unless the assets swapped do not exceed as a percentage of Annualized Operating Cash Flow 25% in a single Asset Swap or 35% in the aggregate of all Asset Swaps Prior to completing any Asset Swap over $50 000 000 the Borrower must demonstrate pro forma compliance with all financial covenants Notwithstanding the foregoing assets acquired after the Closing Date may be swapped without the restrictions under this section

MANAGEMENT FEES

The Borrowers shall have the right to accrue and pay a quarterly Management Fee to the Manager in a maximum amount equal to 5% of the Borrowers gross revenue for the immediately preceding fiscal quarter No payment of any Management Fees (including any previously accrued but unpaid Management Fees) may be made if any Default or Event of Default exists and is continuing or would occur as result of such a payment

Notwithstanding the foregoing, the Borrower may pay Management Fees (including any previously accrued but unpaid Management Fees) to the extent of any Capital Contributions made after the date of such Default or Event of Default for the purpose of making such payment Except for Management Fees paid by the aforementioned Capital Contributions, Management Fees will be subordinated to all Senior Funded Debt

RESTRICTED INVESTMENTS

No Borrower shall make any investments except

1 in the ordinary course of business
2 in securities having one of the two highest ratings by Moody s or S & P,
3 in short-term commercial paper rated A-1 or P-1 obligations of the United States or an agency and certificates of deposit of any financial institution having one of the two highest ratings by S & P or Moody s, or
4 Restricted Investments as permitted herein

LIMITATION ON ADDITIONAL INDEBTEDNESS/ LEINS	The Borrowers shall be prohibited from incurring any additional indebtedness or contingent liabilities other than (i) deferred Management Fees which have been subordinated upon terms and conditions acceptable to the Lenders, (ii) capitalized lease liabilities and other purchase money indebtedness in an amount not to exceed $35,000,000 (iii) normal trade obligations incurred in the ordinary course of business, and (iv) Affiliate Indebtedness
SUBORDINATION	The payment of principal and interest due under any indebtedness owing by any Borrower to any Affiliate ("Affiliate Indebtedness") will be subordinated to all Senior Funded Debt (including post-petition interest) on the following terms and provisions (i) payments of principal on Affiliate Indebtedness will be subject to the Restricted Payments section below, (ii) no security shall be given to secure Affiliate Indebtedness, (iii) no payments of interest of Affiliate Indebtedness shall be made if any Default or Event of Default exists under Senior Funded Debt and is continuing or would result from such payment, (iv) upon payment or distribution of assets of the Borrowers upon dissolution liquidation or reorganization in bankruptcy, all Senior Funded Debt including interest accrued thereon shall be paid in full in cash directly to the holders of the Senior Funded Debt before any payment of principal, interest or any other amount in respect of Affiliate Indebtedness, (v) in the event of bankruptcy, insolvency, receivership or assignment for the benefit of creditors of any Borrower, the Banks or the Administrative Agent shall (a) have the right to file a claim on behalf of the holders of Affiliate Indebtedness and collect and receive all such payments, b) be irrevocably appointed attorney for the holders of the Affiliate Indebtedness and collect and receive all such payments, c) be granted a security interest in any bankruptcy dividend, and (vi) if, prior to payment in full of the Senior Funded Debt in cash, the holder of Affiliate Indebtedness receives any security, such security shall be delivered to the Agent Affiliate Indebtedness will include no cross defaults and no cross accelerations with any other indebtedness

RESTRICTED PAYMENTS

The Borrowers shall not pay any dividends or make any distributions Restricted Investments or payments of principal and interest in cash on Affiliate Indebtedness (Restricted Payments) Notwithstanding the foregoing the Borrower may make Restricted Payments if (i) no Default or Event of Default under the Senior Funded Debt exists before and after giving effect thereto and (ii) the ratio of Senior Funded Debt to annualized Operating Cash Flow is less than 5 0 1 (after giving effect to the Restricted Payment) Notwithstanding the foregoing the Borrower will be permitted to make Restricted Payments in an amount not to exceed the amount of Capital Contributions made into the Borrower and Affiliate Indebtedness incurred by the Borrower subsequent to the Closing Date, provided no Defaults or Events of Default are continuing or would, on a pro forma basis cause a Default or Event of Default

TRANSACTIONS WITH AFFILIATES

No Borrowers shall enter into any transaction with any Affiliate except in the ordinary course of business under terms and conditions no less favorable than those available in a third party transaction Notwithstanding the above limitation the Borrower shall be permitted to enter into a management agreement with the manager subject to the limitations upon Management Fees

FINANCIAL STATEMENTS

The Borrowers will furnish, or will cause to be furnished, to each Lender and the Administrative Agent

1 Quarterly unaudited combined statements of the Borrowers within 90 days of the end of each fiscal quarter,

2 Annual audited combined statements of the Borrowers within 120 days of the end of each fiscal year prepared in accordance with Generally Accepted Accounting Principles and accompanied by a statement by an independent certified public accountant of recognized standing reasonably satisfactory to the Administrative Agent,

3 Certificates of compliance with financial covenants (with appropriate calculations and computations) as well as certificates of no default, accompanying each quarterly financial statement and certified by the Authorized Signatory,

4 Upon an Event of Default a statement by the Authorized

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Signatory setting forth details of such Event of Default and the action which the applicable Borrower has taken and proposes to take with respect thereto as soon as possible and no later than five days after the applicable Borrower has knowledge of the occurrence of such Event of Default,

5 Such other information respecting the condition or operations, financial or otherwise, of the Borrower as the Lenders may reasonably request, and

6 Copies of all 10-Q's, 10-K's and annual reports filed by ACC, Olympus or any of the Borrowers

CONDITIONS PRECEDENT TO CLOSING

1 The completion of due diligence inspection of properties as required by the Arranging Agents

2 A certificate demonstrating compliance with all financial covenants on a pro forma basis as necessary

3 The negotiation and execution of loan documents, officer's certificates, and legal opinions in form and substance acceptable to the Lenders and their counsel

4 The receipt of all necessary regulatory approvals

5 The negotiation and execution of a management agreement with the Manager, including all necessary subordination provisions, acceptable to the Lenders

EVENTS OF DEFAULT

Events of Default under the Credit Agreement shall include but not be limited to

1 Failure to pay principal amortization when due

2 Failure to pay interest or commitment fee payments within three days of due date, or

3 Bankruptcy, insolvency, or similar events of Borrower, or

4 Change of Control

YIELD PROTECTION	The documentation will include standard yield protection provisions covering such matters as increased costs (including without limitation, those relating to capital adequacy funding losses and illegality)
INTEREST RATE PROTECTION	Within 180 days from the Closing Date, the Borrower shall obtain interest rate protection covering an amount of 35% of the average aggregate of Loans outstanding since the Closing Date and having an expiration date no earlier than the third anniversary of the Closing Date Up to 50% of the interest rate protection may be obtained from an Affiliate
GOVERNING LAW	New York
LEGAL FEES	All reasonable legal fees incurred by counsel to the Documentation Agent in the negotiation, preparation and execution of the proposed transaction contemplated therein shall be paid by the Borrowers
AMENDMENT AND WAIVER	The Credit Agreement or any term thereof may be amended or waived by an instrument in writing signed by the Majority Banks except all Lenders that are directly and adversely affected must consent to the following amendments (i) any increase in the amount of the commitments except for the Incremental Facility, (ii) any adverse change in terms of repayment of principal, (iii) any reductions in principal, interest, or fees, (iv) any delay in timing in payments of interest or fees, (v) any waiver of any payment default or (vi) any amendment of the definition of the Majority Banks
ASSIGNMENTS AND PARTICIPATION	The Lenders shall be permitted to assign and sell participation in their loans and commitments subject in the case of assignments (other than to another Lender or to an affiliate of the assigning Lender), to the consent of the Administrative Agent and the Borrower (which consent in each case shall not be unreasonably withheld) In the case of partial assignments the minimum assignment amount shall be \$5,000,000 and after giving effect thereto, the assigning Lender shall have commitments and loans aggregating at least \$5,000 000 Participants shall have the same benefits as the Lenders with respect to yield protection and increased cost provisions Voting rights of participants shall be limited to those matters with respect to which the affirmative vote of the Lender from which it purchased its participation would be required Pledges of loans in accordance with applicable law shall be permitted without restriction

DEFINITIONS

"Affiliate" shall mean a person (i) which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with the Borrower or (ii) thirty-five percent (35%) or more of the voting stock (or in the case of a person which is not a corporation thirty-five percent (35%) or more of the equity interest) of which is beneficially owned or held by the Borrower The term "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise

"Annualized Operating Cash Flow" shall mean Operating Cash Flow multiplied by four

"Acquisition" shall mean any acquisition by the Borrower of (i) any other person which owns and operates a cable television system or those businesses in which other persons in the cable industry are engaged, which person shall then become consolidated with the Borrower in accordance with generally accepted accounting principles or (ii) any cable television system or those businesses in which other persons in the cable industry are engaged

"Authorized Signatory" shall mean such senior personnel of a Borrower as may be duly authorized and designated in writing by such Borrower to execute documents agreements, and instruments on its behalf

"Capital Contribution" shall mean any additional investments, of cash or other valuable property, in Borrowers by ACC the Rigas Family or an Affiliate of any Borrower in the form of equity or Affiliate Indebtedness

"Capital Expenditures" shall mean, at any date of determination, (i) the aggregate amount of payments made by a Borrower for the rental, lease, purchase, construction or use of any property the value or cost of which under Generally Accepted Accounting Principles, would appear on such Borrower's balance sheet in the category of property, plant or equipment during the last fiscal quarter, less (ii) the aggregate amount of Capital Contributions made to finance such payments and so included in the determination of such Borrower's compliance with its financial covenants

' Change of Control' (a) Adelphia or the Rigas Family shall cease for any reason to own, directly or indirectly at least 51% of the equity interests of the Borrowers or (b) the Rigas Family shall not be entitled to cast more than 50% of the total number of votes that holders of all of Adelphia's Class A common stock and Class B common stock vote together as a single class

'Excess Cash Balance" shall mean the sum of cash and cash equivalents

"Fixed Charges" shall mean, for any period the sum for such period of (i) Interest Expense, (ii) aggregate outstanding Revolving Credit Facility Loans at the beginning of such period less the Maximum Revolver Availability at the end of such period, (iii) commitment fees, (iv) Capital Expenditures and (v) cash income taxes

Interest Expense" shall mean all interest on Senior Funded Debt paid in cash by the Borrowers on a combined basis during the most recent fiscal quarter

"Investment" shall mean as applied to any person any direct or indirect purchase or other acquisition by such person of stock or other securities of any other person, or any direct or indirect loan, advance (other than advances to employees for moving and travel expenses, drawing accounts, and expenditures in the ordinary course of business) or capital contribution by such person to any other person, including all debt and accounts receivable from such other person which are not current assets or did not arise from sales to such other person in the ordinary course of business

' Majority Banks" shall mean Lenders holding more than 51% of the Facilities or, if no such principal amount is then outstanding, Lenders having more than 51% of the commitments

"Management Fees" shall mean fees payable by the Borrowers to the Manager in a maximum amount equal to 5% of the Borrowers gross revenue for the prior fiscal quarter The payment of such Management Fees shall be subject to a subordination agreement among the Borrowers, the Manager and the Lenders

"Manager" shall mean ACC or any Affiliate of ACC

"Operating Cash Flow" shall mean combined net income from operations plus interest expense, depreciation, amortization income taxes and other non-cash expenses in accordance with Generally Accepted Accounting Principles for the most recently ended fiscal quarter

"Pro Forma Debt Service" shall mean at any date of determination, the sum of all pro forma Interest Expense commitment fees and principal payments including the current maturities thereof, due on any Senior Funded Debt other than the Tranche B Facility, for the four fiscal quarters immediately succeeding such date of determination Pro forma principal payments under the Reducing Revolving Credit Facility shall be equal to outstanding Revolving Credit Loans at the date of determination less the Maximum Revolver Availability at the end of the fourth fiscal quarter immediately succeeding such date of determination

"Restricted Investments" shall mean any loans to Affiliates of any Borrower or any of its subsidiaries or any payment on account of the purchase, redemption or any other acquisition or retirement of any general or limited partnership interest in, or shares of capital stock or other securities of, any Borrower or any of its subsidiaries

"Senior Funded Debt" shall mean and include, as of any date as of which the amount thereof is to be determined all indebtedness of the Borrowers outstanding under the Bank Facilities less the Excess Cash Balance on the date of such determination

2004C 011999

B. Public Equity and Precedent Transaction Comparables

Comparable Analysis - Cable Television

SUMMARY PUBLIC TRADING COMPARABLES
(Dollars in Millions, except per share data)

Company	Share Price	Market Equity	Firm Value	Hidden Assets	Cable Firm Value	Multiples of Cable Firm Value: LOA EBITDA	1999 EBITDA	2000 EBITDA	Subscribers
Adelphia	$56 50	$4 626	$9 351	$525	$8 826	13 8 x	12 8 x	11 6 x	$3 014
Cablevision Systems	65 56	11 776	17 292	3 905	13 387	16 7	16 3	14 6	3 921
Century Communications	34 25	2 574	5 071	580	4 492	15 4	13 7	11 6	3 325
Comcast Communications	70 00	28 699	31 839	14 357	17 482	14 6	14 5	12 9	3 809
Cox Communications	72 13	20 115	25 048	9 786	15 262	20 2	19 3	16 0	3 995
Jones Intercable	41 75	1 748	3 259	146	3 113	15 5	12 3	11 0	3 067
MediaOne	55 00	35 828	41 558	29 823	11 735	12 9	13 6	11 7	2 379
TCA Cable	44 25	2 225	2 988	1	2 986	17 1	15 0	13 5	3 443
Tele Communications Inc	61 50	19 170	50 364	8 403	41 961	20 2	18 9	16 9	3 947
High						**20 2 x**	**19 3 x**	**16 9 x**	**$3,995**
Median						**15 5**	**14 5**	**12 9**	**3,443**
Low						**12 9**	**12 3**	**11 0**	**2,379**

Share price as of 12/31/?? [illegible]
(a) [illegible]
(b) [illegible] SARs [illegible]
(c) Adjusted Firm Value [illegible]
(d) [illegible]
(e) Multiples [illegible] EBITDA [illegible]

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SALOMON SMITH BARNEY

Private Market Transactions - Cable Television

SUMMARY PRIVATE MARKET COMPARABLES

Date of Announcement	Acquiring Company	Seller/Acquired Company	Total Consideration	Total Subs	Adjusted Consideration per Subscriber	Forward EBITDA Multiple	Location of Acquired Systems
Feb 99	Charter Communications	Renaissance Media	$459	127	$3 614	14 8x	LA MS TN
Feb 99	Adelphia	FrontierVision	2 083	702	2 966	14 2	N Eng VA OH/KY
Feb 99	Comcast	Greater Media Inc	282	79	3 569	14 1	Philadelphia PA
Feb 99	Charter Communications	Greater Media Inc	500	170	2 941	13 6	Massachusetts
Jan 99	Charter Communications	American Cable Entertainment	240	68	3 529	12 3	So California
Dec 98	Adelphia	Verto Communications	141	56	2 513	10 3	Scranton PA
Dec 98	Comcast	Prime Communications	1 442	430	3 355	13 1	MD IL
Oct 98	American Cable Ent	Marks Cablevision	93	36	2 583	10 2	CA
Sep 98	Adelphia	SHBB LP	110	34	3 226	11 0	VA and NC
Aug 98	US Cable	Lynch Communications	138	70	1 971	10 7	MN, CO NM, MO
Aug 98	Comcast	JCI / Glenn Jones	1 177	364	3 235	12 7	
Jul 98	Paul Allen	Charter Communications	4 192	1 204	3 600	14 6	St Louis LA
Jul 98	Olympus Comm	Cable TV Fund 12 A Ltd	110	46	2 391	12 9	Ft Meyers FLA
Jun 98	Insight Comm	Coaxial Comm	180	91	1 976	9 5	Columbus OH
Jun 98	FrontierVision	State Cable	189	75	2 517	12 5	NH MI
Jun 98	AT&T	TCI	41 872	11 085	3 381	14 9	
Jun 98	MediaOne	Time Warner	60	10	1 974	9 7	MI
Jun 98	Avalon Cable	Cable Michigan	448	204	2 199	12 3	MI
May 98	Jones	Bresnan	50	24	2 128	8 8	GA
May 98	American Cable Ent	Booth American	74	12	2 133	9 1	CA
May 98	Millenium	Intermedia Partners	130	54	2 407	9 3	Arundel MD
May 98	Cox	Prime South Diversified	1 318	424	2 942	11 9	CA AZ NV
Apr 98	Cox / TCI IV	Cox	285	120	2 375	11 0	Oklahoma City OK
Apr 98	Cox / TCI IV	TCI	285	150	1 900	8 9	Tulsa OK
Apr 98	TCI	Jones Fund	597	255	2 341	9 8	Chicago IL
Apr 98	TW Fanch	TCI	224	140	1 851	9 2	MD OH VA WV
Apr 98	Triax	Marcus Cable	58	33	1 785	7 9	IL
Apr 98	Cablevision	Time Warner	49	28	1 775	9 2	CT
Apr 98	Time Warner	Cablevision	57	29	1 945	9 2	NY
Apr 98	Paul Allen	Marcus Cable	2 775	1 087	2 687	13 0	18 states
Apr 98	Vista Communications	Smyrna Cable TV	62	27	2 340	9 2	GA
Mar 98	CableOne	Marcus	130	72	1 811	8 2	TX OK MS LA
Mar 98	Jones Intercable	Jones 12BK	138	64	2 159	10 4	Palmdale CA
Mar 98	TMC Holdings	Marcus Cable	150	64	2,362	10 0	CT and VA

Source Paul Kagan Associates and Salomon Smith Barney's estimates

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Private Market Transactions - Cable Television

SUMMARY PRIVATE MARKET COMPARABLES

Date of Announcement	Acquiring Company	Seller/Acquired Company	Total Consideration	Total Subs	Consideration per Subscriber	Forward EBITDA Multiple	Location of Acquired Systems
Feb 98	Harron Comm	Community TV	113	57	1,982	9.6	NH
Jan 98	Cablevision	TCI	105	171	1,763	10.0	CT
Jan 98	Peak/ TCI JV	Halycon	38	27	1,407	9.0	AR
Jan 98	Northland	Intermedia	93	54	1,722	8.8	GA and SC
Jan 98	Peak/ TCI JV	TCI	147	87	1,690	9.9	OK
Dec 97	TCI/Century JV	Century Communications	1,342	500	2,684	10.9	Southern CA
Dec 97	Comcast	Marcus Cable	66	27	2,444	9.9	DE MD
Nov 97	Renaissance	Time Warner	291	125	2,328	9.8	TN
Nov 97	Marcus CableOne	McDonald Inv	65	36	1,806	9.8	Mountain Brook
Oct 97	TWI/AN	Time Warner	1,327	640	2,073	9.4	NY, IL, NC
Oct 97	CableOne	Jones Fund 14	52	25	2,080	10.3	SC
Oct 97	Comcast	Jones Fund 14	140	55	2,545	10.3	IL
Sep 97	Bresnan/TCI JV	TCI	800	445	1,798	8.6	WI
Sep 97	Prime Cable	SBC Corp	637	268	2,377	8.2	VA MD
Sep 97	TCI / TW JV	TCI	1,326	520	2,550	9.1	TX
Sep 97	TCI / TW JV	Time Warner	1,176	510	$2,306	12.5x	TX
Sep 97	KC Cable	TCI	258	93	2,774	12.3	KS
Aug 97	KC Cable Assoc	Charter	150	70	2,141	8.6	Long Beach
Aug 97	Mediacom	Cablevision	315	265	1,189	9.1	10 States
Aug 97	InterVsn	Cox	144	85	1,694	9.0	OH
Aug 97	Maryland Cable	Jones Comm	235	87	2,701	9.5	[illegible]
Aug 97	TCI	Intermedia	196	115	1,706	8.6	[illegible]
Aug 97	Jones Intercable	Century Comm	182	104	1,750	9.9	LA
Jul 97	Intermedia Partners	TCI	946	425	2,226	10.1	KY
Jul 97	TCI / TCA JV	TCI	310	150	2,067	9.2	TX LA
Jul 97	TCI / TCA JV	TCA	285	155	1,839	8.7	TX LA NM
Jun 97	Microsoft Corporation	Comcast Corporation	1,000 (1)	4,280	2,117 (2)	9.0	US
					3,012	12.9	
Jun 97	Cablevision Systems	TCI	1,093 (3)	829	1,318	5.0 (5)	NY
			1,212 (4)		1,462	5.5 (5)	
Jun 97	Adelphia	TCI	350	166	2,108	10.0	NY LA OH

Source: Paul Kagan Associates and Salomon Smith Barney estimates

(1) Microsoft's $1 billion investment in Comcast includes $500 million of common stock at $20.29 per share for 24.6 million shares and $500 million for a convertible preferred (no dividend) with a conversion price of $23.54 per share (21.2 million shares)

(2) Estimated value of cable assets only (assumes non cable assets valued at $3.9 billion)

(3) Pre announcement deal value at 6/6/97 ($34.625 per share). Cablevision assumes $669 million of TCI debt and issues TCI 12.2 million common shares, adjusted for a 2-for-1 stock split

(4) Post announcement deal value at 6/9/97 ($44.375 per share)

(5) TCI viewed Cablevision's stock to be significantly undervalued at time of transaction announcement

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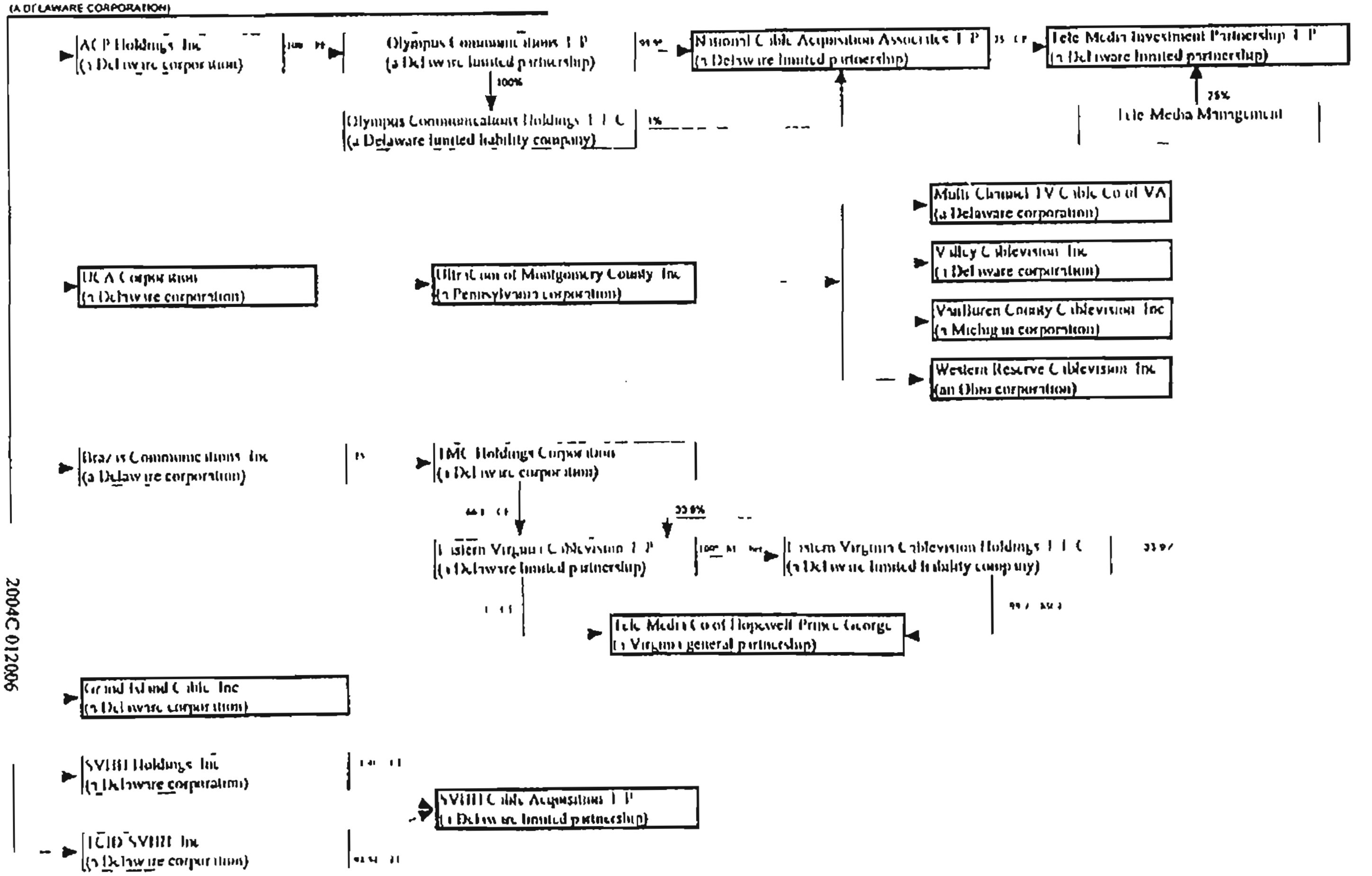
C. Ownership Structure Chart

ADELPHIA COMMUNICATIONS CORPORATION
(A DELAWARE CORPORATION)



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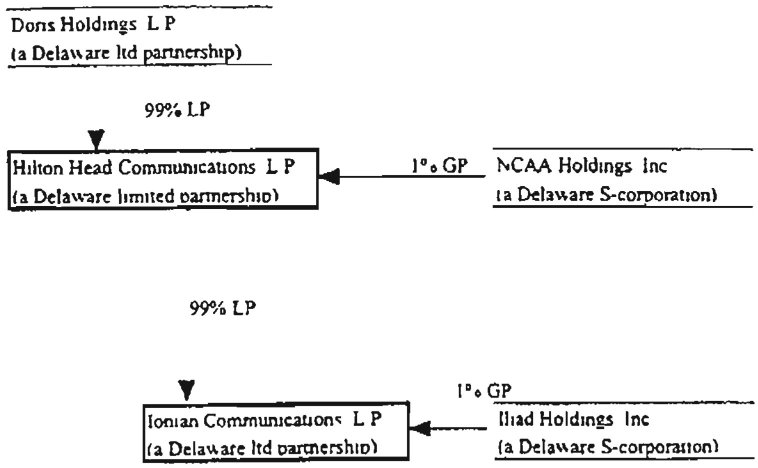
Hilton Head Communications, L P Ownership Group



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D. Audited Financials

UCA / HHC Audit Reconciliation

1996 Income Statements	Fiscal year ended March 31		
	UCA	HHC	Combined
	1996	1996(a)	1996
Revenues	$54,641	$[illegible]	$[illegible]
Direct Operating & Programming Costs	15,447	19,425	[illegible]
SG&A	[illegible]	[illegible]	[illegible]
Management Fees	2,722	4,076	6,798
Depreciation and Amortization	[illegible]	[illegible]	42,7[illegible]
Nonrecurring items	[illegible]	0	[illegible]
Total Expenses	[illegible]	67,267	[illegible]
EBITDA	$31,[illegible]	$[illegible]	$[illegible]
Margin	[illegible]%	[illegible]%	[illegible]%

(a) Estimated by combining 75% of 1995 figures with 25% of 1996 figures

1997 Income Statements	Fiscal year ended March 31,		
	UCA	HHC	Combined
	1997	1997	1997
Revenues	$[illegible]	$[illegible]	$[illegible]
Direct Operating & Programming Costs	17,[illegible]	[illegible]	[illegible]
SG&A	[illegible]	17,316	[illegible]
Management Fees	[illegible]	4,0[illegible]	7,1[illegible]
Depreciation and Amortization	12,716	[illegible]	41,5[illegible]
Total Expenses	37,6[illegible]	69,[illegible]	106,[illegible]
EBITDA	$36,0[illegible]	$50,[illegible]	$[illegible]
Margin	[illegible]%	[illegible]%	[illegible]%

(a) [illegible] 25% [illegible] figures [illegible] 75% [illegible] 1997 figures

1998 Income Statements	Fiscal year ended March 31		
	UCA	HHC	Combined
	1998	1998	1998(a)
Revenues	$[illegible]	$[illegible]	$[illegible]
Direct Operating & Programming Costs	[illegible]	[illegible]	41,2[illegible]
SG&A	4,[illegible]	12,[illegible]	[illegible]
Management Fees	[illegible]	4,[illegible]	7,[illegible]
Depreciation and Amortization	[illegible]	[illegible]	[illegible]
Total Expenses	[illegible]	[illegible]	[illegible]
EBITDA	$[illegible]	$[illegible]	$[illegible]
Margin	[illegible]	[illegible]	[illegible]

(a) UCA and HHC [illegible]

9/30/98 Income Statements	3QA ended September 30			
	UCA	HHC	Combined	Combined
	1998	1998	1998	Pro Forma(a)
Revenues	$[illegible]	$[illegible]	$[illegible]	$[illegible]
Direct Operating & Programming Costs	[illegible]	26,1[illegible]	45,[illegible]	45,912
SG&A	4,[illegible]	[illegible]	[illegible]	16,7[illegible]
Depreciation and Amortization	[illegible]	[illegible]	[illegible]	45,7[illegible]
Management Fees	[illegible]	4,7[illegible]	[illegible]	7,[illegible]
Total Expenses	[illegible]	[illegible]	117,2[illegible]	116,[illegible]
EBITDA	$[illegible]	$[illegible]	$[illegible]	$[illegible]
Margin	[illegible]%	[illegible]%	[illegible]%	[illegible]

(a) [illegible] 1998

Balance Sheet Data

	September 30, 1998		
	UCA	HHC	Combined
Cash	$[illegible]	$17,[illegible]	$18,[illegible]
PP&E	57,[illegible]	[illegible]	[illegible]
Intangibles	[illegible]	[illegible]	[illegible]
Receivables	1,[illegible]	2,7[illegible]	4,[illegible]
Prepaid Expenses and Other	[illegible]	7,[illegible]	9,016
Preferred Equity Investment	0	20,000	20,000
Total Assets	[illegible]	[illegible]	[illegible]

	September 30, 1998		
	UCA	HHC	Combined
Notes to Banks and Institutions	$172,[illegible]	$[illegible]	$[illegible]
Other Debt	[illegible]	2,[illegible]	42,677
Accounts payable	[illegible]	4,192	10,7[illegible]
Subscriber advance payments and deposits	[illegible]	[illegible]	[illegible]
Accrued interest and other liabilities	[illegible]	4,6[illegible]	[illegible]
Total Liabilities	227,[illegible]	[illegible]	[illegible]
AFX	$[illegible]	$0	$[illegible]
Shareholders' Equity	($[illegible])	$[illegible]	($[illegible])
Due to affiliates	([illegible])	([illegible])	([illegible])
Total Equity	([illegible])	([illegible])	([illegible])
Total liabilities and shareholders' equity	[illegible]	[illegible]	[illegible]

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Salomon Smith Barney

2004C 012011

COMBINED HHC & TMIP
BALANCE SHEET
(DOLLARS IN THOUSANDS)

	September 30 1998
ASSETS	
Cable television systems, at cost, net of accumulated depreciation and amortization	
Property, plant and equipment - net	$105,490
Intangible assets - net	135,727
Total	241,217
Cash and cash equivalents	17,982
Subscriber receivables	2,746
Prepaid expenses and other assets	7,047
Preferred Equity Investment	20,000
Total	$288,992
LIABILITIES AND PARTNERS' EQUITY	
Notes to banks and institutions	$287,000
Other debt	2,209
Accounts payable	6,192
Subscriber advance payments & deposits	4,271
Accrued interest and other liabilities	4,632
Total	304 304
Partners' Equity	9,996
Due from affiliates - net	(25 308)
Total partners' equity	(15 312)
Total	$288,992

COMBINED HHC & TMIP
STATEMENT OF OPERATIONS
(DOLLARS IN THOUSANDS)

	Year to date 09/30/93	Three months ended 09/30/98
Revenues	$72 283	$24 686
Operating expenses		
Direct operating and programming	19,790	6 538
Selling, general and administrative	$9 968	3 221
Total	29 758	9 759
Operating income before management fees, depreciation and amortization	42 525	14,927
Operating margin percentage	176 39%	60 47%
Interest coverage percentage	713 35%	254 08%
Management fees	3,253	1,196
Depreciation and amortization	20 787	8 621
Operating income	18 485	5,110
Interest expense - net	17 971	5 875
Net income(loss)	$514	($765)

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COMBINED HHC & TMIP
STATEMENT OF CASH FLOWS
(DOLLARS IN THOUSANDS)

	Year to date 09/30/98	Three months ended 09/30/98
Operating activities		
Net income(loss)	$514	($765)
Adjustments to reconcile net loss to net cash provided by operating activities		
Amortization	9 252	3 018
Depreciation	11 535	5 603
Changes in operating assets and liabilities		
Subscriber receivables	1 004	16
Prepaids and other assets	(770)	($14)
Accounts payable	2 043	208
Subscriber advances and deposits	610	(250)
Accrued interest and other liabilities	766	621
Net cash provided by operating activities	24 954	7,937
Financing activities		
Repayments of debt	(15 268)	(7,728)
Amounts advanced from affiliates - net	7 826	6 295
Net cash used for financing activities	(7 442)	(1 433)
Investment activities		
Expenditures for property plant and equipment	(14 674)	(5 284)
Net cash used for investment activities	(14 674)	(5 284)
Increase in cash	2 838	1 220
Cash, beginning of period	15 144	16 762
Cash, end of period	$17,982	$17,982

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UCA/ACTV COMBINED
BALANCE SHEET
(DOLLARS IN THOUSANDS)

	09/30/98
ASSETS	
Cable television systems at cost, net of accumulated depreciation and amortization	
Property, plant and equipment - net	$57,894
Intangible assets - net	42 796
Total	100,690
Cash and cash equivalents	259
Subscriber receivables	1,868
Prepaid expenses and other assets	1 969
Total	$104,786
LIABILITIES AND SHAREHOLDERS' EQUITY	
Notes to banks and institutions	$172,000
Subordinated note payable to parent company	40,000
Other debt	268
Accounts payable	4,545
Subscriber advance payments & deposits	1,707
Accrued interest and other liabilities	5,138
Deferred income taxes	3 767
Total	227 425
Common stock	1
Paid-in capital	48 114
Accumulated deficit	(34 948)
Due from affiliates - net	(135 806)
Shareholders' equity	(122 639)
Total	$104,786

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UCA/ACTV COMBINED
STATEMENT OF OPERATIONS
(DOLLARS IN THOUSANDS)

	Year to date 09/30/98	Three months ended 09/30/98
Revenues	$33 609	$17 040
Operating expenses		
Direct operating and programming	9,826	4 958
Selling, general and administrative	2 146	1 103
Total	11 972	6 061
Operating income before management fees, depreciation and amortization	21,636	10,979
Operating margin percentage	64.38%	64 43%
Interest coverage percentage	346 82%	281 39%
Management fees	1,664	842
Depreciation and amortization	5,841	2 826
Operating income (loss)	14,131	7,311
Interest expense - net	6 239	3 902
Income before income taxes and cumulative effect of change in accounting principle	7 893	3 409
Net income	$7,893	$3 409

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UCA/HCTV COMBINED
STATEMENT OF CASH FLOWS
(DOLLARS IN THOUSANDS)

	Year to date 09/30/98	Three months ended 09/30/98
Operating activities		
Net income	$7 893	$3,409
Adjustments to reconcile net income to net cash provided by operating activities		
Amortization	1,369	591
Depreciation	4,472	2,235
Changes in operating assets and liabilities		
Subscriber receivables	(81)	5
Prepaids and other assets	(208)	(311)
Accounts payable	(142)	587
Subscriber advances and deposits	(320)	56
Accrued interest and other liabilities	871	482
Net cash provided by operating activities	13 853	7,053
Financing activities		
Proceeds from debt	71,000	2,000
Repayment of debt	(41)	(19)
Advances to affiliates, net	(79,418)	(6,686)
Capital contributions	(4)	(4)
Net cash used for financing activities	(8 463)	(4 709)
Investment activities		
Expenditures for property, plant and equipment	(5 416)	(2,341)
Net cash used for investment activities	(5 416)	(2 341)
Increase (decrease) in cash	(26)	3
Cash, beginning of period	285	257
Cash end of period	$259	$259

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2004C 012019

Deloitte & Touche LLP

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Pittsburgh Pennsylvania 15222 5-01
Telephone (12) 33S
Facsimile (12) 33S

INDEPENDENT AUDITORS' REPORT

Hilton Head Communications L P
Tele-Media Investment Partnership L P
and Tele-Media Company of Southeast Florida Inc

We have audited the special-purpose statements of assets and liabilities of Hilton Head Communications L P and subsidiaries Tele-Media Investment Partnership L P and subsidiaries and Tele-Media Company of Southeast Florida Inc (a Subchapter S corporation) (collectively the Companies) as of December 31 1995 and 1996 and the related special-purpose statements of revenues and expenses equity (deficiency) and cash flows for the years then ended These financial statements are the responsibility of the Companies management Our responsibility is to express an opinion on these financial statements based on our audits

We conducted our audits in accordance with generally accepted auditing standards Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion

The accompanying special purpose financial statements were prepared for the purpose of complying with Section 5 1 of the revolving credit facility between the Lenders (as defined in the revolving credit facility) and Hilton Head Communications L P dated December 27 199- as discussed in Note 1 to the special purpose financial statements and are not intended to be a presentation in conformity with generally accepted accounting principles

In our opinion such special purpose financial statements present fairly in all material respects the assets and liabilities of Hilton Head Communications L P and subsidiaries Tele Media Investment Partnership L P and subsidiaries and Tele-Media Company of Southeast Florida Inc at December 31 1995 and 1996 and their revenues expenses changes in equity (deficiency) and cash flows for the years then ended on the basis of accounting described in Note 1

This report is intended solely for the information and use of the Boards of Directors and managements of Hilton Head Communications L P Tele Media Investment Partnership L P Tele-Media Company of Southeast Florida Inc and the Lenders and should not be used for any other purpose

Deloitte & Touche LLP

April 11 1997

2004C 012020

Deloitte Touche Tohmatsu International

HILTON HEAD COMMUNICATIONS L P AND SUBSIDIARIES TELE-MEDIA
INVESTMENT PARTNERSHIP L P AND SUBSIDIARIES AND
TELE-MEDIA COMPANY OF SOUTHEAST FLORIDA INC
SPECIAL-PURPOSE STATEMENTS OF ASSETS AND LIABILITIES (Note 1)
(Dollars in thousands)

	December 31	
	1995	1996
ASSETS		
Cable television systems, at cost, net of accumulated depreciation and amortization		
Property, plant and equipment - net	$ 95,765	$ 102,260
Intangible assets - net	171,896	157 967
Total	267,661	260,227
Cash and cash equivalents	16 673	21,626
Subscriber receivables - net	3,674	3,897
Prepaid expenses and other assets - net	11,577	8,238
Preferred equity investment	20 000	20 000
Total	$ 319,585	$ 313,988
LIABILITIES AND EQUITY (DEFICIENCY)		
Notes payable to banks	$ 318,000	$ 308,000
Other debt	763	857
Accounts payable	6,033	5,677
Subscriber advance payments and deposits	3,383	3,532
Accrued interest and other liabilities	8,218	16,512
Total liabilities	336 397	334 578
Commitments and contingencies (Note 4)		
Equity (deficiency)		
Equity	13,620	10,036
Receivables from affiliates - net	(30 432)	(30 626)
Equity (deficiency) - net	(16 812)	(20 590)
Total	$ 319 585	$ 313 988

See notes to special-purpose financial statements

2004C 012021

HILTON HEAD COMMUNICATIONS, L P AND SUBSIDIARIES TELE-MEDIA INVESTMENT PARTNERSHIP L P AND SUBSIDIARIES AND TELE-MEDIA COMPANY OF SOUTHEAST FLORIDA INC
SPECIAL-PURPOSE STATEMENTS OF REVENUES AND EXPENSES (Note 1)
(Dollars in thousands)

	Year Ended December 31	
	1995	1996
Revenues	$ 84 429	$ 89 258
Operating expenses		
Direct operating and programming	18,737	21 490
Selling, general and administrative	13,479	12,100
Depreciation and amortization	30 545	30,902
Management fees	4 076	4 066
Total	66 837	68 558
Operating income	17,592	20,700
Interest expense	(26 641)	(24,284)
Net loss	$ (9 049)	$ (3 584)

See notes to special-purpose financial statement.

2004C 012022

HILTON HEAD COMMUNICATIONS L P AND SUBSIDIARIES TELE-MEDIA
INVESTMENT PARTNERSHIP L P AND SUBSIDIARIES AND
TELE-MEDIA COMPANY OF SOUTHEAST FLORIDA, INC
SPECIAL-PURPOSE STATEMENTS OF EQUITY (DEFICIENCY) (Note 1)
(Dollars in thousands)

	Equity	Receivables from affiliates - net	Equity (deficiency) - net
Balance, December 31, 1994	$ 22,955	$ (31,884)	$ (8,929)
Excess of purchase price over carrying value of assets purchased from an affiliate	(286)	-	(286)
Amounts advanced from affiliates - net	-	1,452	1,452
Net loss	(9,049)	-	(9,049)
Balance December 31, 1995	13,620	(30 432)	(16,812)
Amounts advanced to affiliates - net	-	(194)	(194)
Net loss	(3 584)	-	(3,584)
Balance, December 31, 1996	$ 10,036	$ (30 626)	$ (20,590)

See notes to special-purpose financial statements

2004C 012023

HILTON HEAD COMMUNICATIONS L P AND SUBSIDIARIES TELE-MEDIA
INVESTMENT PARTNERSHIP L P AND SUBSIDIARIES AND
TELE-MEDIA COMPANY OF SOUTHEAST FLORIDA INC
SPECIAL-PURPOSE STATEMENTS OF CASH FLOWS (Note 1)
(Dollars in thousands)

	Year Ended December 31	
	1995	1996
Cash flows from operating activities		
Net loss	$ (9,049)	$ (3,584)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation	13,126	13,546
Amortization	17,419	17,356
Changes in operating assets and liabilities		
Subscriber receivables	(257)	(223)
Prepaid expenses and other assets	(3,498)	(88)
Accounts payable	(11 277)	(356)
Subscriber advance payments and deposits	(372)	149
Accrued interest and other liabilities	2 408	(222)
Net cash provided by operating activities	8 500	26 578
Cash flows from investing activities		
Expenditures for property, plant and equipment	(17,965)	(19,678)
Preferred equity investment	(20,000)	-
Deposit received on pending sale of cable television assets	-	8 500
Net cash used for investing activities	(37 965)	(11 178)
Cash flows from financing activities		
Proceeds from debt	51,443	-
Repayments of debt	(462)	(10,253)
Amounts advanced to affiliates - net	(422)	(194)
Costs associated with debt financing	(5 882)	-
Net cash provided by (used for) financing activities	44 677	(10,447)
Increase in cash and cash equivalents	15,212	4,953
Cash and cash equivalents beginning of year	1 461	16 673
Cash and cash equivalents end of year	$ 16 673	$ 21 626
Supplemental disclosure of cash flow activity -		
Cash payments for interest	$ 23 053	$ 24,391

See notes to special-purpose financial statements

2004C 012024

HILTON HEAD COMMUNICATIONS L P AND SUBSIDIARIES TELE-MEDIA INVESTMENT PARTNERSHIP L P AND SUBSIDIARIES AND TELE-MEDIA COMPANY OF SOUTHEAST FLORIDA INC
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
(Dollars in thousands)

1 The Partnership and Basis of Presentation

Hilton Head Communications L P (a limited partnership) and its substantially owned subsidiaries (collectively, "HHC") is owned by NCAA Holdings, Inc ("NCAA"), the general partner, and Syracuse Hilton Head Holdings, L P ("SHHH"), the limited partner NCAA and SHHH are principally owned by certain executive officers of Adelphia Communications Corporation ('Adelphia') which is also principally owned by these executive officers

Tele-Media Investment Partnership, L P (a limited partnership) and its substantially owned subsidiaries (collectively, "TMIP") is owned by certain individuals (the general partners) who are unrelated to the owners of HHC and by HHC (the limited partner) Tele-Media Company of Southeast Florida, Inc ("SF") (a Subchapter S Corporation) is owned by shareholders who are substantially the same as the general partners of TMIP

The operations of HHC, TMIP and SF (collectively, the "Companies") consist primarily of selling video programming which is distributed to subscribers in several states for a monthly fee through a network of fiber optic and coaxial cables

The accompanying special-purpose financial statements include the accounts of HHC, TMIP and SF All significant intercompany transactions and accounts between the Companies have been eliminated Such special-purpose financial statements were prepared for the purpose of complying with Section 5 1 of the revolving credit facility discussed in Note 3 Such Section 5 1 requires financial statements that include the consolidated and combined accounts of HHC, TMIP and SF, but because of the lack of common ownership among the Companies, the special-purpose financial statements are not intended to be a presentation in conformity with generally accepted accounting principles, however, the underlying transactions of HHC, TMIP and SF included in these special-purpose financial statements are recorded in conformity with generally accepted accounting principles A summary of the significant accounting policies is included as Note 2

In August 1992, TMIP sold a limited partnership interest to Plato Communications, Inc ("Plato"), an affiliate of Adelphia, for $13,000 Under the terms of the Partnership Interest Purchase Agreement ('PIPA") between TMIP and Plato, TMIP was precluded from making payments or distributions to its affiliates, except for a portion of management fees payable under an operating agreement Under certain circumstances, TMIP is required to repurchase Plato s investment and Plato has a conditional option (expiring January 1, 2020) to purchase all of the assets of either SF or both SF and Tele-Media Company of Hopewell/Prince George (a subsidiary of TMIP) at fair market value as defined in the PIPA On December 27, 1994, Plato sold its limited partnership interest to SHHH, who then sold the investment to HHC in January 1995 Both sales occurred at Plato's carrying cost of the investment, resulting in no gain or loss on the transaction This investment in TMIP, and the associated return has been eliminated in these special-purpose financial statements During 1995, HHC paid to SHHH a $2,000 fee for the rights assigned to it under the PIPA agreement

On January 31, 1995, HHC paid $20,000 to TMIP in exchange for preferred and nonpreferred limited partnership interests in TMIP which earn a 15% annual preferred return as defined in the Partnership Interest Contribution and Exchange Agreement TMIP used the entire proceeds to acquire 100,000 shares of Series A 15% cumulative Preferred Stock in U S Tele-Media Investment Company ('USTI'), a Pennsylvania corporation which is controlled by Adelphia On June 28, 1995, HHC redeemed its $20,000 preferred and nonpreferred limited partnership interests in TMIP for all of the Series A Preferred Stock of USTI held by TMIP Included in revenue is $2,750 and $3 000 of preferred return recognized on this $20,000 investment in

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HILTON HEAD COMMUNICATIONS L P AND SUBSIDIARIES TELE-MEDIA INVESTMENT PARTNERSHIP L P AND SUBSIDIARIES AND TELE-MEDIA COMPANY OF SOUTHEAST FLORIDA INC
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
(Dollars in thousands)

1995 and 1996, respectively Also during 1995, HHC paid SHHH a $1,000 placement fee in connection with these transactions

2 Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Companies consider all highly liquid investments with original maturities of three months or less to be cash equivalents

Subscriber Revenues

Subscriber revenues are recorded in the month the service is provided

Subscriber Receivables

An allowance for doubtful accounts of $895 and $806 is recorded as a reduction of subscriber receivables at December 31, 1995 and 1996, respectively

Programming Expense

Adelphia allocates charges from programmers to affiliates, including the Companies, based on the number of subscribers to each programming service

Property, Plant and Equipment

Property, plant and equipment are comprised of the following

	December 31	
	1995	1996
Operating plant and equipment	$ 137,055	$ 156,304
Real estate and improvements	996	1,203
Support equipment	4,211	2,081
Construction in progress	13,628	14,126
	155,890	173,714
Accumulated depreciation	(60,125)	(71,454)
	$ 95,765	$ 102,260

Depreciation is computed on the straight-line method using estimated useful lives of 5 to 12 years for operating plant and equipment and 3 to 20 years for support equipment and buildings Additions to property, plant and equipment are recorded at cost which includes amounts for material, applicable labor, overhead and interest

HILTON HEAD COMMUNICATIONS L P AND SUBSIDIARIES TELE-MEDIA INVESTMENT PARTNERSHIP L P AND SUBSIDIARIES AND TELE-MEDIA COMPANY OF SOUTHEAST FLORIDA INC
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
(Dollars in thousands)

Intangible Assets

Intangible assets, net of accumulated amortization, are comprised of the following

	December 31	
	1995	1996
Purchased franchises	$ 100,501	$ 97,145
Purchased subscriber lists	62,179	52,871
Non-compete agreements	2,096	1,154
Goodwill	7 120	6 797
	$ 171 896	$ 157 967

A portion of the aggregate purchase price of cable television systems acquired has been allocated to purchased franchises, purchased subscriber lists, non-compete agreements and goodwill Purchased franchises and goodwill are amortized on the straight-line method over periods which range from 20 to 40 years Purchased subscriber lists are amortized on the straight-line method over the average period that the listed subscribers are expected to receive service from the date of acquisition, which is 7 to 10 years The non-compete agreements are amortized over their contractual lives, which range from 2 to 5 years Accumulated amortization of intangible assets amounted to $63,759 and $71,251 at December 31, 1995 and 1996, respectively

Amortization of Other Assets

Organization costs are amortized using the straight-line method over a five year period Deferred debt financing costs are amortized over the term of the related debt The unamortized amount of organization costs included in prepaid expenses and other assets was $1,025 and $366 at December 31, 1995 and 1996, respectively The unamortized amount of deferred debt financing costs included in prepaid expenses and other assets was $9,532 and $7,501 at December 31, 1995 and 1996, respectively

Asset Impairments

The Companies periodically review the carrying value of their long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of assets may not be recoverable Measurement of any impairment would include a comparison of estimated future operating cash flows anticipated to be generated during the remaining life of the assets with their net carrying value An impairment loss would be recognized as the amount by which the carrying value of the assets exceeds their fair value

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with the basis of accounting described in Note 1 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

HILTON HEAD COMMUNICATIONS L P AND SUBSIDIARIES TELE-MEDIA
INVESTMENT PARTNERSHIP L P AND SUBSIDIARIES AND
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NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
(Dollars in thousands)

Derivative Financial Instruments

Net settlement amounts under interest rate swap agreements are recorded as adjustments to interest expense during the period incurred (see Note 3)

Taxes on Income

The Companies' partnership investments and SF are tax entities in which the filing of tax returns and related tax liabilities are the responsibility of the owners

Reclassification

Certain reclassifications have been made to the 1995 amounts to conform with the 1996 presentation

3 <u>Debt</u>

Notes Payable to Banks

Notes payable to banks are comprised of a $350,000 revolving credit facility with several banks maturing in 2003 Interest rates under the credit facility are based upon one or more of the following rates at the option of HHC prime rate plus 0% to 1%, Certificate of Deposit Rate plus 1 00% to 2 25%, or LIBOR plus 75% to 2% The weighted average interest rate on borrowings was 7 94% and 7 29% at December 31, 1995 and 1996, respectively

Borrowings under the credit facility are collateralized by substantially all of the assets of HHC, TMIP and SF The credit facility limits, among other things, additional borrowings investments, transactions with affiliates, and payments of dividends and fees, and requires the maintenance of certain financial ratios The credit facility also provides that advances and contributions from affiliates mav be returned to the affiliates to the extent contributed or advanced from the closing date of the loan

The amount of actual borrowings available under the credit facility is based upon achieving certain levels of operating performance HHC pays commitment fees at the annual rate of 375% on unused principal The credit agreement provides for mandatory reductions in the revolving loan commitment in increasing quarterly amounts, commencing December 31, 1996 through 2003 On the dates of such mandatory commitment reductions, HHC is obligated to repay outstanding loans in excess of the remaining total commitment

The following table sets forth the maximum principal permitted to be outstanding under this revolving credit facility at December 31 of each of the next five years

December 31, 1997	$313,250
December 31, 1998	274,750
December 31 1999	224,000
December 31, 2000	166,250
December 31 2001	103,250

HILTON HEAD COMMUNICATIONS L P AND SUBSIDIARIES TELE-MEDIA
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NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
(Dollars in thousands)

Management of the Companies intends to fund debt maturities through borrowings under new credit arrangements and internally generated funds Changing conditions in the financial markets may have some impact on how the Companies will refinance debt in the future

Interest Rate Swaps and Caps

HHC has entered into interest rate swap and cap agreements with banks and an affiliate to reduce the impact of changes in interest rates on its bank debt HHC has entered into pay-fixed agreements to effectively convert a portion of its variable-rate debt to fixed-rate Interest rate cap agreements are used to reduce the impact of increases in interest rates on variable rate debt HHC is exposed to credit loss in the event of nonperformance by the banks and the affiliate HHC does not expect any such nonperformance

The following table summarizes the notional amounts outstanding and the weighted average interest rate data for all swaps and caps which expire through 1997

	December 31,	
	1995	1996
Pay Fixed Swaps		
Notional amounts	$ 51,250	$ -
Average receive rate	5 88%	-
Average pay rate	5 20%	-
Interest Rate Caps		
Notional amount	$155,000	$140,000
Average cap rate	7 07%	7 00%

Other Debt

Other debt consists of purchase money indebtedness and capital leases incurred in connection with the acquisition of, and are collateralized by, certain equipment The interest rate on such debt is based on the Federal Funds rate plus 1 4% and is adjusted monthly based on the changes in the Federal Funds rate

4 Commitments and Contingencies

The Companies rent office space, tower sites and space on utility poles under leases with terms which are generally less than one year or under agreements that are generally cancelable on short notice Total rental expense under all operating leases aggregated $1,266 and $1 203 for 1995 and 1996, respectively

In connection with certain obligations under existing franchise agreements, the Companies obtain surety bonds guaranteeing performance to municipalities and public utilities Payment is required only in the event of nonperformance The Companies have fulfilled all of their obligations such that no payments under surety bonds have been required

HILTON HEAD COMMUNICATIONS L P AND SUBSIDIARIES TELE-MEDIA INVESTMENT PARTNERSHIP L P AND SUBSIDIARIES AND TELE-MEDIA COMPANY OF SOUTHEAST FLORIDA INC
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(Dollars in thousands)

During the period July 1 1993 through July 26, 1996, HHC had a program to self insure for casualty and business interruption insurance This program was part of an agreement in which SHHH provided insurance for casualty and business interruption claims of up to $10 000 and $20,000 per claim respectively, for each subsidiary of HHC Effective July 26, 1996, HHC was insured by an outside party for casualty and business interruption.

The cable television industry and the Companies are subject to extensive regulation at the federal, state and local levels Pursuant to the 1992 Cable Act, which significantly expanded the scope of regulation of certain subscriber rates and a number of other matters in the cable industry, the FCC has adopted rate regulations that establish, on a system-by-system basis, maximum allowable rates for (i) basic and cable programming services (other than programming offered on a per-channel or per-program basis), based upon a benchmark methodology, and (ii) associated equipment and installation services based upon cost plus a reasonable profit. Under the FCC rules, franchising authorities are authorized to regulate rates for basic services and associated equipment and installation services, and the FCC will regulate rates for regulated cable programming services in response to complaints filed with the agency The original rate regulations became effective on September 1, 1993 Several amendments to the rate regulations have subsequently been added

The FCC has adopted regulations implementing virtually all of the requirements of the 1992 Cable Act. The FCC is also likely to continue to modify, clarify or refine the rate regulations The Telecommunications Act of 1996 (the "1996 Act") deregulates the rates for cable programming services on March 31, 1999 The Companies cannot predict the effect of the 1996 Act on future rulemaking proceedings or changes to the rate regulations

Effective September 1 1993 as a result of the 1992 Cable Act HHC repackaged certain existing cable services by adjusting rates for basic service and introducing a new method of offering certain cable services HHC adjusted the basic service rates and related equipment and installation rates in all of its systems in order for such rates to be in compliance with the applicable benchmark or equipment and installation cost levels HHC also implemented a program in all of its systems called "CableSelect" under which most of HHC's satellite-delivered programming services were offered individually on a per channel basis, or as a group at a price of approximately 15% to 20% below the sum of the per channel prices of all such services For subscribers who elect to customize their channel lineup, HHC provided, for a monthly rental fee, an electronic device located on the cable line outside the home, enabling a subscriber's television to receive only those channels selected by the subscriber HHC believes CableSelect provided increased programming choices to its subscribers while providing flexibility to HHC to respond to future changes in areas such as customer demand and programming HHC no longer offers the CableSelect program in any of its systems

A letter of inquiry, one of at least 63 sent by the FCC to numerous cable operators was received by an affiliate of HHC regarding the implementation of this new method of offering services The affiliate responded in writing to the FCC's inquiry On November 18, 1994, the FCC released amended rules under which, on a prospective basis, any "a la carte" package will be treated as a regulated tier, except for packages involving premium services Also on November 18, 1994, the Cable Services Bureau of the FCC issued a decision holding that the "CableSelect" program was an evasion of the rate regulations and ordered this package to be treated as a regulated tier This decision, and all other letters of inquiry decisions, were principally decided on the number of programming services moved from regulated tiers to 'a la carte' packages The affiliate has appealed this decision to the full Commission which affirmed the Cable Service Bureau's decision The affiliate has sought reconsideration of the decision

HILTON HEAD COMMUNICATIONS, L P AND SUBSIDIARIES TELE-MEDIA
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NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
(Dollars in thousands)

Certain other cable television companies that utilized "a la carte" packages have recently reached settlement/resolution with the FCC on this issue The Companies believe that in view of this experience with other operators, resolution of these differences is possible, consistent with the terms and conditions of those earlier resolutions. Adelphia has engaged in discussions with the Cable Services Bureau of the FCC regarding a settlement of all outstanding rate proceedings involving "a la carte" packages, including those offered by the Companies' systems A proposed settlement has been made available for public comment by the FCC Management currently estimates there will not be any significant costs to the Companies associated with the resolution of this matter While the Companies cannot predict the ultimate outcome or effect of this matter management of the Companies does not expect the ultimate outcome of this matter to have a material adverse effect on the Companies' financial position and results of operations Also, no assurance can be given as to what other future actions Congress, the FCC or other regulatory authorities may take or the effects thereof on the Companies The Companies are currently unable to predict the effect that the amended regulations, future FCC treatment of "a la carte" packages or other future FCC rulemaking proceedings will have on its business and results of operations in future periods

5 Employee Benefit Plans

HHC participates in an Adelphia savings plan (401(k)) which provides that eligible full-time employees may contribute from 2% to 16% of their pre-tax compensation subject to certain limitations HHC matches contributions not exceeding 1 5% of each participant's pre-tax compensation During 1995 and 1996, no significant matching contributions were made by HHC

6 Disclosures About Fair Value of Financial Instruments

Included in the Companies' financial instrument portfolio are cash, a preferred equity investment, notes payable and interest rate caps The carrying value of the preferred equity investment and notes payable approximates their fair value at December 31, 1995 and 1996 At December 31, 1995 and 1996, the Companies would have been required to pay approximately $1,067 and $515, respectively, to settle their interest rate cap agreements, representing the excess of carrying cost over fair value of their agreements At December 31, 1995, the Companies would have received approximately $254 to settle their interest rate swap agreements, representing the excess of fair value over the carrying cost of the agreements The fair values of the preferred equity investment, notes payable, and the interest rate swaps and caps were based upon quoted market prices of similar instruments or on rates available to the Companies for instruments of the same remaining maturities

7 Transactions with Affiliates

The Companies' receivables from affiliates as of December 31, 1995 and 1996 are presented net of a $10 300 valuation allowance regarding the estimated net realizable value of TMIP and SF receivables from their affiliates

The Companies have entered into management agreements with affiliates which provide for payment of management fees by the Companies of up to 5% of gross revenues The amount and payment of such fees are subject to restrictions contained in the credit agreement

HILTON HEAD COMMUNICATIONS L P AND SUBSIDIARIES TELE-MEDIA
INVESTMENT PARTNERSHIP L P AND SUBSIDIARIES AND
TELE-MEDIA COMPANY OF SOUTHEAST FLORIDA INC
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
(Dollars in thousands)

The Companies have periodically received funds from and advanced funds to their affiliates During 1995 and 1996, the Companies charged $4,648 and $4 634 respectively, in interest related to these intercompany balances that is included in revenues Interest was charged at rates ranging from 6% to 15% on the average balance outstanding

During 1995, HHC paid to SHHH a fee of $5,250, or 1 1/2% of the loan commitment in connection with the refinancing of bank debt

At December 31, 1995, HHC had $51,250 notional amount Pay Fixed interest rate swaps with an affiliate, which expired in 1996 The effect of the interest rate swaps was to decrease interest expense by $486 and $160 in 1995 and 1996, respectively

During 1995 and 1996, TMIP and SF incurred charges from an affiliate of $766 and $545, respectively, for construction services and $431 and $487, respectively, for certain general and administrative expenses

During 1996, HHC allocated $1,725 of direct operating and programming and selling, general and administrative expenses to the affiliate with which HHC has its management agreement These amounts represent primarily employee and related costs in connection with management activities Such costs were not allocated to the managing affiliate in 1995

8 Subsequent Event

In December 1996, the Companies received a deposit of $8,500 from an affiliate in anticipation of the sale of a cable television system serving approximately 6 400 subscribers in Florida Such amount is included in accrued interest and other liabilities at December 31, 1996 The agreement regarding this transaction was finalized on March 31, 1997

2004C 012033

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INDEPENDENT AUDITORS' REPORT

Hilton Head Communications L P
National Cable Acquisition Associates L P
Tele-Media Investment Partnership L P
and Tele-Media Company of Southeast Florida Inc

We have audited the special-purpose statements of assets and liabilities of Hilton Head Communications L.P and subsidiaries National Cable Acquisition Associates L P Tele-Media Investment Partnership L P and subsidiaries and Tele-Media Company of Southeast Florida, Inc (a Subchapter S corporation) (collectively the "Companies") as of December 31 1996 and 1997 and the related special-purpose statements of revenue and expenses equity (deficiency) and cash flows for the years then ended These financial statements are the responsibility of the Companies' management Our responsibility is to express an opinion on these financial statements based on our audits

We conducted our audits in accordance with generally accepted auditing standards Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion

The accompanying special purpose financial statements were prepared for the purpose of complying with Section 5 1 of the revolving credit facility between the Lenders (as defined in the revolving credit facility) and Hilton Head Communications L P dated December 27 1994 as amended on December 31 1996 as discussed in Note 1 to the special-purpose financial statements and are not intended to be a presentation in conformity with generally accepted accounting principles

In our opinion such special purpose financial statements present fairly in all material respects the assets and liabilities of Hilton Head Communications L P and subsidiaries National Cable Acquisition Associates L P Tele Media Investment Partnership L P and subsidiaries and Tele Media Company of Southeast Florida, Inc at December 31 1996 and 1997 and their revenues expenses changes in equity (deficiency) and cash flows for the years then ended on the basis of accounting described in Note 1

This report is intended solely for the information and use of the Boards of Directors and managements of Hilton Head Communications L P National Cable Acquisition Associates L P Tele Media Investment Partnership L P Tele Media Company of Southeast Florida, Inc and the Lenders and should not be used for any other purpose

Deloitte & Touche LLP

March 6 1998

2004C 012034

Deloitte Touche Tohmatsu

HILTON HEAD COMMUNICATIONS L P AND SUBSIDIARIES NATIONAL CABLE ACQUISITION ASSOCIATES L P TELE-MEDIA INVESTMENT PARTNERSHIP L P AND SUBSIDIARIES AND TELE-MEDIA COMPANY OF SOUTHEAST FLORIDA INC
SPECIAL-PURPOSE STATEMENTS OF ASSETS AND LIABILITIES (Note 1)
(Dollars in thousands)

	December 31	
	1996	1997
ASSETS		
Cable television systems at cost net of accumulated depreciation and amortization		
Property, plant and equipment - net	$ 102 260	$ 102 063
Intangible assets - net	157 967	143 142
Total	260,227	245 205
Cash and cash equivalents	21 626	15 145
Subscriber receivables - net	3,897	3 750
Prepaid expenses and other assets - net	8 238	8 114
Preferred equity investment	20 000	20 000
Total	$ 313 988	$ 292 214
LIABILITIES AND EQUITY (DEFICIENCY)		
Notes payable to banks	$ 308,000	$ 303 000
Other debt	857	1 201
Accounts payable	5 677	4 149
Subscriber advance payments and deposits	3 532	3 661
Accrued interest and other liabilities	16 512	3 854
Total liabilities	334 578	315 865
Commitments and contingencies (Note 4)		
Equity (deficiency)		
Equity	10,036	9 483
Receivables from affiliates - net	(30 626)	(33 134)
Equity (deficiency) - net	(20 590)	(23 651)
Total	$ 313 988	$ 292 214

See notes to special-purpose financial statements

HILTON HEAD COMMUNICATIONS, L.P. AND SUBSIDIARIES, NATIONAL CABLE
ACQUISITION ASSOCIATES, L.P., TELE-MEDIA
INVESTMENT PARTNERSHIP, L.P. AND SUBSIDIARIES AND
TELE-MEDIA COMPANY OF SOUTHEAST FLORIDA, INC.
SPECIAL-PURPOSE STATEMENTS OF REVENUES AND EXPENSES (Note 1)
(Dollars in thousands)

	Year Ended December 31	
	1996	1997
Revenues	$ 89,258	$ 87,489
Operating expenses		
Direct operating and programming	21,490	22,894
Selling, general and administrative	12,100	12,564
Depreciation and amortization	30,902	30,717
Management fees	4,066	4,177
Total	68,558	70,352
Operating income	20,700	17,137
Interest expense	(24,284)	(24,220)
Other expense		(115)
Gain on sale of assets	-	5,145
Net loss	$ (3,584)	$ (2,053)

See notes to special-purpose financial statements

HILTON HEAD COMMUNICATIONS L P AND SUBSIDIARIES NATIONAL CABLE
ACQUISITION ASSOCIATES L P TELE-MEDIA
INVESTMENT PARTNERSHIP L P AND SUBSIDIARIES AND
TELE-MEDIA COMPANY OF SOUTHEAST FLORIDA INC
SPECIAL-PURPOSE STATEMENTS OF EQUITY (DEFICIENCY) (Note 1)
(Dollars in thousands)

	Equity	Receivables from Affiliates - Net	Equity (Deficiency) - Net
Balance December 31 1995	S 13 620	S (30 432)	S (16 812)
Amounts advanced to affiliates - net	-	(194)	(194)
Net loss	(3 584)	-	(3 584)
Balance December 31 1996	10 036	(30 626)	(20,590)
Amounts advanced from affiliates - net	-	(2 508)	(2 508)
Contribution by TMIP general partners of certain partnership interests in a CATV system	1 500	-	1 500
Net loss	(2 053)	-	(2 053)
Balance December 31, 1997	S 9 483	S (33 134)	S (23 651)

See notes to special-purpose financial statements

HILTON HEAD COMMUNICATIONS L P AND SUBSIDIARIES NATIONAL CABLE
ACQUISITION ASSOCIATES L P TELE MEDIA
INVESTMENT PARTNERSHIP L P AND SUBSIDIARIES AND
TELE-MEDIA COMPANY OF SOUTHEAST FLORIDA INC
SPECIAL-PURPOSE STATEMENTS OF CASH FLOWS (Note 1)
(Dollars in thousands)

	Year Ended December 31	
	1996	1997
Cash flows from operating activities		
Net loss	$ (3 584)	$ (2 053)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation	13 546	14 450
Amortization	17 356	16,267
Gain on sale of assets		(5 145)
Changes in operating assets and liabilities		
Subscriber receivables	(223)	147
Prepaid expenses and other assets	(88)	(530)
Accounts payable	(356)	(1 528)
Subscriber advance payments and deposits	149	129
Accrued interest and other liabilities	(222)	(4 188)
Net cash provided by operating activities	26 578	17 549
Cash flows from investing activities		
Expenditures for property, plant and equipment	(19 678)	(16 619)
Deposit received on pending sale of cable television assets	8 500	-
Net cash used for investing activities	(11 178)	(16 619)
Cash flows from financing activities		
Proceeds from debt	-	150
Repayments of debt	(10 253)	(5 053)
Amounts advanced to affiliates – net	(194)	(2 508)
Net cash used for financing activities	(10 447)	(7 411)
Increase (decrease) in cash and cash equivalents	4 953	(6 481)
Cash and cash equivalents beginning of year	16 673	21 626
Cash and cash equivalents end of year	$ 21 626	$ 15 145
Supplemental disclosure of cash flow activity - Cash payments for interest	$ 24 391	$ 27 318

See notes to special-purpose financial statements

HILTON HEAD COMMUNICATIONS L P AND SUBSIDIARIES NATIONAL CABLE ACQUISITION ASSOCIATES L P TELE-MEDIA INVESTMENT PARTNERSHIP L P AND SUBSIDIARIES AND TELE-MEDIA COMPANY OF SOUTHEAST FLORIDA INC
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
(Dollars in thousands)

1 The Companies and Basis of Presentation

Hilton Head Communications L P (a limited partnership) and its substantially owned subsidiaries (collectively HHC) is owned by NCAA Holdings Inc (NCAA"), the general partner and Syracuse Hilton Head Holdings L P (SHHH '), the limited partner NCAA and SHHH are principally owned by certain executive officers of Adelphia Communications Corporation (Adelphia) which is also principally owned by these executive officers

The partnership interests of National Cable Acquisition Associates, L P (National), a subsidiary of HHC which includes the limited partnership interest in TMIP, were sold to Olympus Communications L P (Olympus) effective October 1 1997 for approximately $118,000 The proceeds of the sale were the assumption of liabilities by Olympus Olympus is 50% owned by Adelphia As provided in Amendment No 1 to the revolving credit facility dated December 31 1996, National will remain a deemed subsidiary of HHC for purposes of these special purpose financial statements

Tele-Media Investment Partnership, L P (a limited partnership) and its substantially owned subsidiaries (collectively TMIP") is owned by certain individuals (the general partners) who are unrelated to the owners of National and by National (the limited partner) Tele-Media Company of Southeast Florida Inc ("SF) (a Subchapter S Corporation) is owned by shareholders who are substantially the same as the general partners of TMIP

The operations of HHC, National TMIP and SF (collectively, the Companies) consist primarily of selling video programming which is distributed to subscribers in several states for a monthly fee through a network of fiber optic and coaxial cables

The accompanying special-purpose financial statements include the accounts of HHC National, TMIP and SF All significant intercompany transactions and accounts between the Companies have been eliminated Such special-purpose financial statements were prepared for the purpose of complying with Section 5 1 of the revolving credit facility discussed in Note 3 Such Section 5 1 requires financial statements that include the consolidated and combined accounts of HHC National TMIP and SF, but because of the lack of common ownership among the Companies the special-purpose financial statements are not intended to be a presentation in conformity with generally accepted accounting principles however the underlying transactions of HHC National TMIP and SF included in these special-purpose financial statements are recorded in conformity with generally accepted accounting principles A summary of the significant accounting policies is included as Note 2

In December 1996 the Companies received a deposit of $8 500 in anticipation of the sale of a cable television system serving approximately 6 400 subscribers in Florida Such amount was included in accrued interest and other liabilities at December 31 1996 The transaction was completed on March 31 1997 resulting in a gain of $5 145

On December 3 1997 a subsidiary of HHC exchanged cable television systems serving approximately 41 000 subscribers in Syracuse New York for Time Warner Cable systems serving approximately 47 000 subscribers in western Pennsylvania and Virginia No gain or loss was recognized as a result of this transaction The $60 800

HILTON HEAD COMMUNICATIONS L P AND SUBSIDIARIES NATIONAL CABLE ACQUISITION ASSOCIATES L P TELE-MEDIA INVESTMENT PARTNERSHIP L P AND SUBSIDIARIES AND TELE-MEDIA COMPANY OF SOUTHEAST FLORIDA INC
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
(Dollars in thousands)

net book value of the cable television systems exchanged was allocated to the property plant and equipment and intangible assets received

2 Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Companies consider all highly liquid investments with original maturities of three months or less to be cash equivalents

Subscriber Revenues

Subscriber revenues are recorded in the month the service is provided

Subscriber Receivables

An allowance for doubtful accounts of $806 and $370 is recorded as a reduction of subscriber receivables at December 31, 1996 and 1997, respectively

Preferred Equity Investment

HHC owns 100 000 shares of Series A 15% cumulative Preferred Stock in U S Tele-Media Investment Company, a Pennsylvania corporation which is controlled by Adelphia Included in revenues is $3 000 of preferred return recognized on this investment in each of 1996 and 1997

Programming Expense

Adelphia allocates charges from programmers to affiliates including the Companies based on the number of subscribers to each programming service

Property Plant and Equipment

Property, plant and equipment are comprised of the following

	December 31	
	1996	1997
Operating plant and equipment	$ 156 304	$ 158 452
Real estate and improvements	1 203	1 484
Support equipment	2 081	1 649
Construction in progress	14 126	12 019
	173 714	173 604
Accumulated depreciation	(71 454)	(71 541)
	$ 102 260	$ 102 063

HILTON HEAD COMMUNICATIONS L P AND SUBSIDIARIES NATIONAL CABLE ACQUISITION ASSOCIATES L P TELE-MEDIA INVESTMENT PARTNERSHIP L P AND SUBSIDIARIES AND TELE-MEDIA COMPANY OF SOUTHEAST FLORIDA INC
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(Dollars in thousands)

Depreciation is computed on the straight-line method using estimated useful lives of 5 to 12 years for operating plant and equipment and 3 to 20 years for support equipment and buildings Additions to property plant and equipment are recorded at cost which includes amounts for material applicable labor overhead and interest

Intangible Assets

Intangible assets net of accumulated amortization are comprised of the following

	December 31	
	1996	1997
Purchased franchises	$ 97 145	$ 109 877
Purchased subscriber lists	52 871	28 664
Non-compete agreements	1 154	336
Goodwill	6 797	4 265
	$ 157 967	$ 143 142

A portion of the aggregate purchase price of cable television systems acquired has been allocated to purchased franchises purchased subscriber lists non-compete agreements and goodwill Purchased franchises and goodwill are amortized on the straight-line method over periods which range from 20 to 40 years Purchased subscriber lists are amortized on the straight-line method over the average period that the listed subscribers are expected to receive service from the date of acquisition, which is 7 to 10 years The non-compete agreements are amortized over their contractual lives which range from 2 to 5 years Accumulated amortization of intangible assets amounted to $71 251 and $57 608 at December 31 1996 and 1997 respectively

Amortization of Other Assets

Organization costs are amortized using the straight-line method over a five year period Deferred debt financing costs are amortized over the term of the related debt The unamortized amount of organization costs included in prepaid expenses and other assets was $366 and $142 at December 31 1996 and 1997, respectively The unamortized amount of deferred debt financing costs included in prepaid expenses and other assets was $7 501 and $5 401 at December 31 1996 and 1997 respectively

Asset Impairments

The Companies periodically review the carrying value of their long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of assets may not be recoverable Measurement of any impairment would include a comparison of estimated future operating cash flows anticipated to be generated during the remaining life of the assets with their net carrying value An impairment loss would be recognized as the amount by which the carrying value of the assets exceeds their fair value

HILTON HEAD COMMUNICATIONS L P AND SUBSIDIARIES NATIONAL CABLE ACQUISITION ASSOCIATES L P TELE-MEDIA INVESTMENT PARTNERSHIP L P AND SUBSIDIARIES AND TELE-MEDIA COMPANY OF SOUTHEAST FLORIDA INC
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
(Dollars in thousands)

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with the basis of accounting described in Note 1 requires management of the Companies to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

Taxes on Income

The Companies partnership investments and SF are tax entities for which the filing of tax returns and related tax liabilities are the responsibility of the owners

3 Debt

Notes Payable to Banks

Notes payable to banks are comprised of a $350 000 revolving credit facility with several banks maturing in 2003 Interest rates under the credit facility are based upon one or more of the following rates at the option of HHC prime rate plus 0% to 1%, Certificate of Deposit Rate plus 1 00% to 2 25%, or LIBOR plus 75% to 2% The weighted average interest rate on borrowings was 7 29% and 7 41% at December 31, 1996 and 1997, respectively

Borrowings under the credit facility are collateralized by substantially all of the assets of HHC National, TMIP and SF The credit facility limits, among other things, additional borrowings, investments transactions with affiliates and payments of dividends and fees and requires the maintenance of certain financial ratios The credit facility also provides that advances and contributions from affiliates may be returned to the affiliates to the extent contributed or advanced from the closing date of the loan During the year ended December 31, 1997, HHC received such advances, accruing interest of $5,247 which is included in interest expense Such advances were used to temporarily reduce amounts outstanding under the credit facility

The amount of actual borrowings available under the credit facility is based upon achieving certain levels of operating performance HHC pays commitment fees at the annual rate of 375% on unused principal The credit agreement provides for mandatory reductions in the revolving loan commitment in increasing quarterly amounts commencing December 31 1996 through 2003 On the dates of such mandatory commitment reductions HHC is obligated to repay outstanding loans in excess of the remaining total commitment

HILTON HEAD COMMUNICATIONS L P AND SUBSIDIARIES NATIONAL CABLE ACQUISITION ASSOCIATES L P TELE-MEDIA INVESTMENT PARTNERSHIP L P AND SUBSIDIARIES AND TELE-MEDIA COMPANY OF SOUTHEAST FLORIDA INC
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
(Dollars in thousands)

The following table sets forth the maximum principal permitted to be outstanding under this revolving credit facility at December 31 of each of the next five years

December 31 1998	$274 750
December 31 1999	224 000
December 31 2000	166 250
December 31 2001	103 250
December 31, 2002	35,000

Management of the Companies intends to fund debt maturities through borrowings under new credit arrangements and internally generated funds Changing conditions in the financial markets may have some impact on how the Companies will refinance debt in the future

Other Debt

Other debt consists of purchase money indebtedness and capital leases incurred in connection with the acquisition of and are collateralized by, certain equipment The interest rate on such debt is based on the Federal Funds rate plus 1 4% and is adjusted monthly based on the changes in the Federal Funds rate

4 Commitments and Contingencies

The Companies rent office space, tower sites and space on utility poles under leases with terms which are generally less than one year or under agreements that are generally cancelable on short notice Total rental expense under all operating leases aggregated $1,203 and $1 154 for 1996 and 1997 respectively

In connection with certain obligations under existing franchise agreements, the Companies obtain surety bonds guaranteeing performance to municipalities and public utilities Payment is required only in the event of nonperformance The Companies have fulfilled all of their obligations such that no payments under surety bonds have been required

During the period July 1 1993 through July 26 1996 HHC had a program to self insure for casualty and business interruption insurance This program was part of an agreement in which SHHH provided insurance for casualty and business interruption claims of up to $10 000 and $20,000 per claim respectively, for each subsidiary of HHC Effective July 26, 1996 HHC is insured by an outside party for casualty and business interruption

The cable television industry and the Companies are subject to extensive regulation at the federal state and local levels Pursuant to the 1992 Cable Act which significantly expanded the scope of regulation of certain subscriber rates and a number of other matters in the cable industry, the FCC has adopted rate regulations that establish on a system-by-system basis maximum allowable rates for (i) basic and cable programming services

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NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
(Dollars in thousands)

(other than programming offered on a per-channel or per-program basis) based upon a benchmark methodology, and (ii) associated equipment and installation services based upon cost plus a reasonable profit Under the FCC rules franchising authorities are authorized to regulate rates for basic services and associated equipment and installation services, and the FCC will regulate rates for regulated cable programming services in response to complaints filed with the agency The original rate regulations became effective on September 1, 1993 Several amendments to the rate regulations have subsequently been added

The FCC has adopted regulations implementing virtually all of the requirements of the 1992 Cable Act The FCC is also likely to continue to modify, clarify or refine the rate regulations The Telecommunications Act of 1996 (the 1996 Act") deregulates the rates for cable programming services on March 31, 1999 The Companies cannot predict the effect of the 1996 Act on future rulemaking proceedings or changes to the rate regulations

5 Employee Benefit Plans

HHC participates in an Adelphia savings plan (401(k)) which provides that eligible full-time employees may contribute from 2% to 20% of their pre-tax compensation subject to certain limitations HHC matches contributions not exceeding 1 5% of each participant's pre-tax compensation During 1996 and 1997, no significant matching contributions were made by HHC

6 Disclosures About Fair Value of Financial Instruments

Included in the Companies financial instrument portfolio are cash a preferred equity investment and notes payable The carrying value of the preferred equity investment and notes payable approximates their fair value at December 31 1996 and 1997 The fair values of the preferred equity investment and notes payable were based upon quoted market prices of similar instruments or on rates available to the Companies for instruments of the same remaining maturities

7 Transactions with Affiliates

The Companies receivables from affiliates as of December 31 1996 and 1997 are presented net of a $10 300 valuation allowance regarding the estimated net realizable value of TMIP and SF receivables from their affiliates

The Companies have entered into management agreements with affiliates which provide for payment of management fees by the Companies of up to 5% of gross revenues The amount and payment of such fees are subject to restrictions contained in the credit agreement

The Companies have periodically received funds from and advanced funds to their affiliates During 1996 and 1997 the Companies charged $4 634 and $0 respectively in interest related to these intercompany balances that is included in revenues Interest was charged at rates ranging from 6% to 15% on the average balance outstanding

During 1996 and 1997 TMIP and SF incurred charges from an affiliate of $545 and $1 916 respectively for construction services and $487 and $565 respectively, for certain general and administrative expenses

During 1996 and 1997, HHC allocated $1 725 and $1,777, respectively, of direct operating and programming and selling, general and administrative expenses to the affiliate with which HHC has its management agreement These amounts represent primarily employee and related costs in connection with management activities

8 Subsequent Event

On March 2 1998 National and TMIP entered into a series of agreements to restructure the ownership of TMIP The restructuring will result in National exchanging its limited partnership investment in TMIP for 100% ownership of approximately 27 750 subscribers in Palm Beach County Florida subject to approximately $38 290 in debt and a 75% general partner interest in TMIP subject to approximately $37,850 in debt. The remaining approximately 17 950 subscribers of TMIP will be distributed to the general partners of TMIP subject to approximately $12 860 in debt The restructured TMIP will have approximately 40 850 subscribers located principally in Broward County, Florida Consummation of this transaction is subject to certain closing conditions and regulatory approval

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INDEPENDENT AUDITORS' REPORT

UCA Corporation,
Adelphia Cable TV, Inc and
Grand Island Cable, Inc

We have audited the accompanying combined balance sheets of UCA Corporation and subsidiaries, Adelphia Cable TV Inc and Grand Island Cable, Inc (collectively, the "Companies'), all of which are under common ownership and common management, as of March 31, 1996 and 1997, and the related combined statements of income stockholder's equity (deficiency) and cash flows for the years then ended These financial statements are the responsibility of the Companies management Our responsibility is to express an opinion on these financial statements based on our audits

We conducted our audits in accordance with generally accepted auditing standards Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion

In our opinion, such financial statements present fairly, in all material respects, the combined financial position of UCA Corporation and subsidiaries, Adelphia Cable TV, Inc and Grand Island Cable, Inc at March 31 1996 and 1997, and the combined results of their operations and their combined cash flows for the years then ended in conformity with generally accepted accounting principles

Deloitte & Touche LLP

May 20 1997

UCA CORPORATION AND SUBSIDIARIES
ADELPHIA CABLE TV INC AND GRAND ISLAND CABLE INC
COMBINED BALANCE SHEETS
(Dollars in thousands except per share data)

	March 31 1996	March 31 1997
ASSETS		
Cable television systems at cost, net of accumulated depreciation and amortization		
Property, plant and equipment	$ 57 919	$ 57,665
Intangible assets	80 666	77 081
Total	138 585	134 746
Cash and cash equivalents	240	237
Subscriber receivables - net	2,028	2,011
Prepaid expenses and other assets - net	3,196	2,788
Total	$ 144 049	$ 139,782
LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIENCY)		
Notes payable to banks	$ 200 000	$ 157,000
Other debt	153	261
Accounts payable	4 609	4,582
Subscriber advance payments and deposits	1 206	1,357
Accrued interest and other liabilities	5 743	3,639
Deferred income taxes	18 764	20,095
Total liabilities	230 475	186 934
Commitments and contingencies (Note 5)		
Stockholder's equity (deficiency)		
Common Stock		
UCA Corporation - no par value 1 000 shares authorized issued and outstanding		-
Adelphia Cable TV Inc $ 01 par value 100 shares authorized, issued and outstanding		-
Grand Island Cable, Inc - $ 01 par value, 1 000 shares authorized, issued and outstanding	1	1
Additional paid-in capital	83 288	35 087
Accumulated deficit	(64 762)	(55,219)
Notes and other receivables from affiliates - net	(104 953)	(27 021)
Total stockholder's equity (deficiency)	(86 426)	(47 152)
Total	$ 144 049	$ 139 782

See notes to combined financial statements

2004C 012048

UCA CORPORATION AND SUBSIDIARIES
ADELPHIA CABLE TV INC AND GRAND ISLAND CABLE INC
COMBINED STATEMENTS OF INCOME
(Dollars in thousands)

	Year Ended March 31	
	1996	1997
Revenues	$ 54 441	$ 60 964
Operating expenses		
Direct operating and programming	15,677	17 705
Selling, general and administrative	3 758	4 182
Depreciation and amortization	12 099	12 716
Management fees	2 722	3 044
Rate regulation	600	-
Total	34 856	37 647
Operating income	19 585	23 317
Interest expense	(14 284)	(13 569)
Income before income taxes	5 301	9 748
Income tax benefit (expense)	1 330	(2 549)
Net income	$ 6 631	$ 7 199

See notes to combined financial statements

UCA CORPORATION AND SUBSIDIARIES
ADELPHIA CABLE TV INC AND GRAND ISLAND CABLE INC
COMBINED STATEMENTS OF STOCKHOLDERS EQUITY (DEFICIENCY)
(Dollars in thousands)

	Common Stock	Additional Paid in Capital	Accumulated Deficit	Notes and other Receivables from Affiliates Net	Total Stockholders Equity (Deficiency)
Balance, March 31, 1995	$ 1	$ 94,107	$ (71,393)	$ (30,267)	$ (7 552)
Net income			6,631		6,631
Amounts advanced to affiliates net				(74,686)	(74 686)
Excess of purchase price of acquired assets over related party predecessor owner s book value		(10 819)			(10 819)
Balance March 31 1996	1	83 288	(64,762)	(104,953)	(86,426)
Net income			7,199		7,199
Amounts advanced from affiliates net				77 932	77 932
Excess of purchase price of acquired assets over related party predecessor owner's book value		(48,201)	2,344		(45 857)
Balance March 31 1997	$ 1	$ 35 087	$ (55 219)	$ (27,021)	$ (17 152)

See notes to combined financial statements

2004C 012050

UCA CORPORATION AND SUBSIDIARIES
ADELPHIA CABLE TV INC AND GRAND ISLAND CABLE INC
COMBINED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	Year Ended March 31	
	1996	1997
Cash flows from operating activities		
Net income	$ 6 631	$ 7 199
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	7 779	8 645
Amortization	4 320	4 071
Rate regulation	470	-
Deferred income tax (benefit) expense	(1 865)	2 419
Changes in operating assets and liabilities, net of effects of acquisitions		
Subscriber receivables	(7)	18
Prepaid expenses and other assets	(1 314)	(80)
Accounts payable	(181)	(27)
Subscriber advance payments and deposits	(417)	151
Accrued interest and other liabilities	3 584	(2 111)
Net cash provided by operating activities	19 000	20 285
Cash flows from investing activities		
Expenditures for property plant and equipment	(7 243)	(6 786)
Cash used for acquisitions	(20 969)	-
Acquisition of ACTV		(61 674)
Cash used for investing activities	(28 212)	(68 460)
Cash flows from financing activities		
Proceeds from debt	91 000	
Repayments of debt	(43)	(43 052)
Amounts advanced (to) from affiliates	(81 858)	91 224
Net cash provided by financing activities	9 099	48 172
Decrease in cash and cash equivalents	(113)	(3)
Cash and cash equivalents beginning of year	353	240
Cash and cash equivalents end of year	$ 240	$ 237
Supplemental disclosure of cash flow activity		
Cash payments for interest	$ 11 736	$ 16 541

See notes to combined financial statements

2004C 012051

UCA CORPORATION AND SUBSIDIARIES
ADELPHIA CABLE TV INC AND GRAND ISLAND CABLE INC
NOTES TO COMBINED FINANCIAL STATEMENTS
(Dollars in Thousands)

1 The Companies and Basis of Presentation

UCA Corporation and subsidiaries (UCA'), Adelphia Cable TV Inc ('ACTV) and Grand Island Cable Inc (collectively the "Companies') are wholly owned subsidiaries of Adelphia Communications Corporation ("Adelphia) The Companies' operations consist primarily of selling video programming which is distributed primarily to subscribers in Pennsylvania Virginia and Ohio for a monthly fee through a network of fiber optic and coaxial cables These services are offered in the Companies respective franchise areas under the name Adelphia Cable Communications

The accompanying combined financial statements include the accounts of the Companies as required under the reducing revolving credit agreement discussed in Note 4 All significant intercompany transactions and accounts have been eliminated in combination

2 Summary of Significant Accounting Policies

Subscriber Revenues

Subscriber revenues are recorded in the month the service is provided

Programming Expense

During the years ended March 31 1996 and 1997 Adelphia allocated programming expense to the Companies based on the number of programming service subscribers

Property Plant and Equipment

Property plant and equipment are comprised of the following

	March 31	
	1996	1997
Operating plant and equipment	$ 98 071	$ 103 311
Real estate and improvements	2 582	2 749
Support equipment	1 719	1 942
Construction in progress	6 752	8 936
	109 124	116 938
Accumulated depreciation	(51 205)	(59 273)
	$ 57 919	$ 57 665

Depreciation is computed on the straight line method using estimated useful lives of 5 to 12 years for operating plant and equipment and 3 to 20 years for support equipment and buildings Additions to property plant and equipment are recorded at cost which includes amounts for material applicable labor overhead and interest Capitalized interest amounted to $193 for each of the years ended March 31 1996 and 1997

2004C 012052

UCA CORPORATION AND SUBSIDIARIES
ADELPHIA CABLE TV INC AND GRAND ISLAND CABLE INC
NOTES TO COMBINED FINANCIAL STATEMENTS
(Dollars in Thousands)

Intangible Assets

Intangible assets net of accumulated amortization are comprised of the following

	March 31			
		1996		1997
Purchased franchises	$	75 544	$	72 911
Goodwill		4,078		3,932
Non-compete agreements		1 044		238
	$	80 666	$	77 081

A portion of the aggregate purchase price of cable television systems acquired has been allocated to purchased franchises, goodwill and non-compete agreements Purchased franchises and goodwill are amortized on the straight-line method over 40 years The non-compete agreements are amortized over their contractual lives which are 6 years Accumulated amortization of intangible assets amounted to $20,059 and $23 644 at March 31 1996 and 1997 respectively

Amortization of Other Assets

Deferred debt financing costs included in prepaid expenses and other assets are amortized over the term of the related debt The unamortized amounts were $2 498 and $2 164 respectively at March 31 1996 and 1997 respectively

Cash and Cash Equivalents

The Companies consider all highly liquid investments with original maturities of three months or less to be cash equivalents

Subscriber Receivables

An allowance for doubtful accounts of $140 and $224 has been deducted from subscriber receivables at March 31 1996 and 1997 respectively

Asset Impairments

The Companies periodically review the carrying amounts of their long lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable Measurement of any impairment would include a comparison of estimated future operating cash flows anticipated to be generated during the remaining life of the assets with their net carrying value An impairment loss would be recognized as the amount by which the carrying value of the assets exceeds their fair value

Derivative Financial Instruments

Net settlement amounts under interest rate swap agreements are recorded as adjustments to interest expense during the period incurred

2004C 012053

UCA CORPORATION AND SUBSIDIARIES
ADELPHIA CABLE TV INC AND GRAND ISLAND CABLE INC
NOTES TO COMBINED FINANCIAL STATEMENTS
(Dollars in Thousands)

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

3 Acquisition of Cable Systems

On July 1 1995, UCA acquired all of the common stock of Valley Cablevision Inc ("Valley) for $21 000 from Southwest Virginia Cable, Inc ("Southwest) a subsidiary of Adelphia Valley owns cable television systems located in the state of Virginia The purchase price of the common stock was based upon its estimated fair value Because of the common control of the entities involved in the transaction the assets and liabilities acquired were recorded at their historical cost and the excess of the purchase price over historical cost was charged to additional paid-in capital The combined financial statements include the assets and liabilities of the cable systems at their historical cost and include the results of operations from the date of acquisition

On January 1, 1997 UCA acquired all of the assets and liabilities of ACTV from Adelphia for $63 000 Due to the common ownership of the entities involved in this transaction the assets and liabilities acquired were recorded at historical cost and the excess of the purchase price over historical cost was charged to additional paid-in capital

4 Notes Payable to Banks

The Companies have a $200 million reducing revolving credit facility with several banks This credit arrangement provides for mandatory reductions in the revolving loan commitments in increasing quarterly amounts commencing June 30 1997 through September 30 2003 On the dates of such commitment reductions the Companies are obligated to repay outstanding loans in excess of remaining commitments

Borrowings under this credit arrangement are collateralized by substantially all of the assets of the Companies The agreement limits among other things additional borrowings investments transactions with affiliates and other subsidiaries of Adelphia and payment of dividends and fees and requires the maintenance of certain financial ratios by the Companies The agreement also provides that advances and contributions from affiliates may be returned to the affiliates to the extent contributed or advanced from the closing date of the loan

Interest rates charged are based upon one or more of the following rates at the option of the Companies prime rate plus 50% to 1 25% certificate of deposit rate plus 1 125% to 2 125% and LIBOR plus 875% to 1 875% Interest on outstanding borrowings is payable on a quarterly basis

At March 31 1996 and 1997 the weighted average interest rate on bank debt including the effect of interest rate hedging arrangements was 7 11% and 7 31% respectively

2004C 012054

UCA CORPORATION AND SUBSIDIARIES
ADELPHIA CABLE TV INC AND GRAND ISLAND CABLE INC
NOTES TO COMBINED FINANCIAL STATEMENTS
(Dollars in Thousands)

The following table sets forth the mandatory reductions in principal under all agreements fo indebtedness for each of the next five years based on amounts outstanding at March 31 1997

Fiscal year ended	
March 31, 1998	$ 60
March 31 1999	100
March 31, 2000	25 110
March 31 2001	32 040
March 31, 2002	40 000

The Companies intend to fund their requirements for maturities of debt through internally generated funds or borrowings under new credit arrangements Changing conditions in the financial markets may have some impact on how the Companies will refinance their debt in the future

The Companies have entered into interest rate swap and cap agreements with banks and an affiliate to reduce the impact of changes in interest rates on their floating rate bank debt The Companies enter into pay-fixed agreements to effectively convert a portion of their variable-rate debt to fixed-rate debt Interest rate cap agreements are used to reduce the impact of increases in interest rates on variable rate debt The Companies are exposed to credit loss in the event of nonperformance by the banks and the affiliate The Companies do not expect any such nonperformance

The following table summarizes the notional amounts outstanding and the weighted average interest rate data for all swaps and caps which expire through 2000

	March 31	
	1996	1997
Interest Rate Swap		
Notional amount	$25 000	
Average receive rate	6 62%	
Average pay rate	5 84%	
Interest Rate Caps		
Notional amount	$125 000	$125 000
Average cap rate	9 00%	9 00%

5 **Commitments and Contingencies**

The Companies rent office and studio space tower sites and space on utility poles under leases with terms which are generally less than one year or under agreements that are generally cancelable on short notice Total rental expense under all operating leases aggregated $480 and $549 for the years ended March 31 1996 and 1997 respectively

In connection with certain obligations under franchise agreements the Companies obtain surety bonds guaranteeing performance to municipalities and public utilities Payment is required only in the event of

2004C 012055

UCA CORPORATION AND SUBSIDIARIES
ADELPHIA CABLE TV INC AND GRAND ISLAND CABLE INC
NOTES TO COMBINED FINANCIAL STATEMENTS
(Dollars in Thousands)

nonperformance The Companies have fulfilled all of their obligations such that no payments under surety bonds have been required

The cable television industry and the Companies are subject to extensive regulation at the federal state and local levels Pursuant to the 1992 Cable Act, which significantly expanded the scope of regulation of certain subscriber rates and a number of other matters in the cable industry the FCC has adopted rate regulations that establish, on a system-by-system basis maximum allowable rates for (i) basic and cable programming services (other than programming offered on a per-channel or per-program basis) based upon a benchmark methodology, and (ii) associated equipment and installation services based upon cost plus a reasonable profit Under the FCC rules, franchising authorities are authorized to regulate rates for basic services and associated equipment and installation services, and the FCC will regulate rates for regulated cable programming services in response to complaints filed with the agency The original rate regulations became effective on September 1 1993 Several amendments to the rate regulations have subsequently been added

The FCC has adopted regulations implementing virtually all of the requirements of the 1992 Cable Act. The FCC is also likely to continue to modify, clarify or refine the rate regulations The Telecommunications Act of 1996 (the "1996 Act") deregulates the rates for cable programming services on March 31 1999 The Companies cannot predict the effect of the 1996 Act on future rulemaking proceedings or changes to the rate regulations In addition litigation has been instituted challenging various portions of the 1992 Cable Act and the rulemaking proceedings including the rate regulations The Companies cannot predict the effect or outcome of the future rulemaking proceedings, changes to the rate regulations or litigation Further because the FCC has only issued its interim rules and has not adopted final cost of service rules the Companies have not determined to what extent they will be able to utilize cost of service showings to justify rates

Effective September 1 1993, as a result of the 1992 Cable Act the Companies repackaged certain existing cable services by adjusting rates for basic service and introducing a new method of offering certain cable services The Companies adjusted the basic service rates and related equipment and installation rates in all of their systems in order for such rates to be in compliance with the applicable benchmark or equipment and installation cost levels The Companies also implemented a program in all of their systems called "CableSelect under which most of the Companies satellite-delivered programming services were offered individually on a per channel basis or as a group at a price of approximately 15% to 20% below the sum of the per channel prices of all such services The Companies believed CableSelect provided increased programming choices to their subscribers while providing flexibility to the Companies to respond to future changes in areas such as customer demand and programming The Companies no longer offer CableSelect in any of their systems

On November 18 1994 the Cable Services Bureau of the FCC issued a decision holding that the CableSelect program was an evasion of the rate regulations and ordered this package to be treated as a regulated tier This decision and all other letters of inquiry decisions were principally decided on the number of programming services moved from regulated tiers to a la carte packages An Affiliate appealed this decision to the full Commission which affirmed the Cable Service Bureau s decision On November 18 1994 the FCC released amended rules under which on a prospective basis any a la carte package will be treated as a regulated tier except for packages involving premium services An appeal of this decision to the U S Court of Appeals for the D C Circuit was unsuccessful

In fiscal 1996 the Companies recorded a $600 charge representing management s estimate of the total costs to be incurred to resolve all of their rate complaints with the FCC On May 1 1997 Adelphia reached a settlement of all rate complaints with the FCC on terms and conditions consistent with certain other cable television companies that utilized a la carte packages that have reached settlement/resolution with the FCC on this issue At March 31 1997 $573 of the $600 charge remained in accrued interest and other liabilities which

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UCA CORPORATION AND SUBSIDIARIES
ADELPHIA CABLE TV INC AND GRAND ISLAND CABLE INC
NOTES TO COMBINED FINANCIAL STATEMENTS
(Dollars in Thousands)

management believes is adequate to cover the settlement No assurance can be given as to what other future actions Congress, the FCC or other regulatory authorities may take or the effects thereof on the Companies The Companies are currently unable to predict the effect that the amended regulations future FCC treatment of a la carte packages or other future FCC rulemaking proceedings will have on their business and results of operations in future periods

6 **Employee Benefit Plans**

The Companies participate in an Adelphia savings plan (401(k)) which provides that eligible full-time employees may contribute from 1% to 16% of their pre-tax compensation subject to certain limitations The Companies make matching contributions not exceeding 1 5% of participating employees pre-tax compensation During the years ended March 31, 1996 and 1997, no material matching contributions were made

7 **Disclosures about Fair Value of Financial Instruments**

Included in the Companies' financial instrument portfolio are cash, notes payable and interest rate swaps and caps The carrying values of the cash and notes payable approximate their fair values at March 31 1996 and 1997 At March 31, 1996 and 1997, the Companies would have received approximately $237 and paid approximately $63 respectively, to settle their interest rate swap and cap agreements representing the excess and deficiency, respectively, of fair value over carrying cost of these agreements The fair values of the debt and interest rate swaps and caps were based upon quoted market prices of similar instruments or on rates available to the Companies for instruments of similar remaining maturities

8 **Taxes on Income**

Adelphia and its corporate subsidiaries (including the Companies) file a consolidated federal income tax return For financial reporting purposes current and deferred income tax assets and liabilities are computed on a separate company basis The net operating losses for federal income tax purposes and the related valuation allowance are adjusted for the effects of filing a consolidated income tax return similar to provisions of the Internal Revenue Code At March 31 1997 the Companies had net operating loss carryforwards for federal income tax purposes of approximately $78 441 expiring through 2012

Deferred income taxes reflect the net tax effects of (a) temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and (b) operating loss and tax credit carryforwards

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UCA CORPORATION AND SUBSIDIARIES
ADELPHIA CABLE TV INC AND GRAND ISLAND CABLE INC
NOTES TO COMBINED FINANCIAL STATEMENTS
(Dollars in Thousands)

The Companies' net deferred tax liability as of March 31 1996 and 1997 is comprised of the following

	March 31	
	1996	1997
Deferred tax liabilities.		
Differences between book and tax basis of property, plant and equipment and intangible assets	$ 41 878	$ 20 374
Deferred tax assets.		
Operating loss carryforwards and other	33 494	32,266
Valuation allowance	(10 380)	(31 987)
Subtotal	23 114	279
Net deferred tax liability	$ 18 764	$ 20 095

The net change in the valuation allowance for the years ended March 31 1996 and 1997 was a decrease of $445 and an increase of $21 607 respectively

Income tax benefit (expense) is comprised of the following

	Year Ended March 31	
	1996	1997
Current	$ (535)	$ (130)
Deferred	1 865	(2 419)
	$ 1 330	$ (2 549)

The difference between the Companies effective income tax rate and the federal statutory rate of 35% relates primarily to a change in the Companies valuation allowance and state income taxes

9 Transactions with Adelphia and Other Affiliates

During the years ended March 31 1996 and 1997 the Companies managed cable television systems of an affiliate The Companies management agreement provides for payment of fees to the Companies equal to 5% of each managed cable television system s gross revenues These fees which are included in revenues totaled $611 and $650 for the years ended March 31 1996 and 1997 respectively

UCA CORPORATION AND SUBSIDIARIES
ADELPHIA CABLE TV INC AND GRAND ISLAND CABLE INC
NOTES TO COMBINED FINANCIAL STATEMENTS
(Dollars in Thousands)

The Companies have an agreement with another subsidiary of Adelphia (Managing Affiliate) which provides for the payment of fees by the Companies of up to 5% of the Companies gross revenues for the years ended March 31, 1996 and 1997 The amount and payment of these fees is subject to the restrictions contained in the reducing revolving credit agreement The Managing Affiliate also charged the Companies for the estimated benefit of volume equipment purchase discounts which aggregated $611 and $520 for the years ended March 31, 1996 and 1997, respectively

The Companies have periodically advanced funds to and received funds from Adelphia and other affiliates Interest earned on these receivables which is included in revenues amounted to $2,483 and $3 003 for the years ended March 31, 1996 and 1997, respectively

Net settlement amounts under an interest rate swap agreement with Adelphia which expired in fiscal 1996 were recorded as adjustments to interest expense during the period incurred The effect of the interest rate swap agreement was to increase interest expense by $22 for the year ended March 31 1996 At March 31 1997 the Companies have an interest rate cap agreement with Adelphia with a notional principal amount of $75 000 and a rate cap of 9% This cap expires in 1998 The fee for the year ended March 31 1997 for this cap was $30

10 Subsequent Event

On May 20 1997 Adelphia and certain of its affiliates and Time Warner Cable Companies entered into agreements involving a trade of certain cable systems As part of these agreements the Companies will exchange cable systems serving approximately 4 000 subscribers primarily in Ohio for systems owned by Time Warner Cable Companies serving approximately 4 000 subscribers in areas contiguous to the Companies existing cable systems Consummation of this transaction is subject to certain closing conditions and regulatory approvals

2004C 012059

2004C 012060

Deloitte &
Touche LLP

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INDEPENDENT AUDITORS' REPORT

UCA Corporation and
Grand Island Cable, Inc

We have audited the accompanying combined balance sheets of UCA Corporation and subsidiaries and Grand Island Cable, Inc (collectively, the "Companies"), all of which are under common ownership and common management, as of March 31, 1997 and 1998, and the related combined statements of income, stockholder's equity (deficiency), and cash flows for the years then ended These financial statements are the responsibility of the Companies' management Our responsibility is to express an opinion on these financial statements based on our audits

We conducted our audits in accordance with generally accepted auditing standards Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement An audit includes examining, on a test basis evidence supporting the amounts and disclosures in the financial statements An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion

In our opinion such financial statements present fairly in all material respects the combined financial position of UCA Corporation and subsidiaries and Grand Island Cable Inc at March 31 1997 and 1998, and the combined results of their operations and their combined cash flows for the years then ended in conformity with generally accepted accounting principles

Deloitte & Touche LLP

June 10 1998

UCA CORPORATION AND SUBSIDIARIES
AND GRAND ISLAND CABLE INC
COMBINED BALANCE SHEETS (Note 1)
(Dollars in thousands except per share data)

	March 31 1997	March 31 1998
ASSETS		
Cable television systems at cost, net of accumulated depreciation and amortization		
Property, plant and equipment	$ 57 665	$ 58 894
Intangible assets	77 081	74,342
Total	134 746	133,236
Cash and cash equivalents	237	285
Subscriber receivables – net	2 011	1 892
Prepaid expenses and other assets – net	2 788	2,157
Total	$ 139 782	$ 137,570
LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIENCY)		
Notes payable to banks	$ 157 000	$ 101 000
Subordinated note payable to parent company	-	40 000
Other debt	261	323
Accounts payable	4,582	5 681
Subscriber advance payments and deposits	1,357	1 908
Accrued interest and other liabilities	3,639	4,279
Deferred income taxes	20 095	17 536
Total liabilities	186 934	170 727
Commitments and contingencies (Note 5)		
Stockholder's equity (deficiency)		
Common Stock		
UCA Corporation - no par value 1 000 shares authorized issued and outstanding	-	-
Grand Island Cable Inc - $.01 par value 1 000 shares authorized issued and outstanding	1	1
Additional paid-in capital	35 087	35 087
Accumulated deficit	(55 219)	(42 840)
Notes and other receivables from affiliates – net	(27 021)	(25 405)
Total stockholder's equity (deficiency)	(47 152)	(33 157)
Total	$ 139 782	$ 137 570

See notes to combined financial statements

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UCA CORPORATION AND SUBSIDIARIES
AND GRAND ISLAND CABLE INC
COMBINED STATEMENTS OF INCOME (Note 1)
(Dollars in thousands)

	Year Ended March 31	
	1997	1998
Revenues	$ 60 964	$ 64 407
Operating expenses		
Direct operating and programming	17,705	18 375
Selling general and administrative	4,182	4 417
Depreciation and amortization	12,716	12 659
Management fees	3,044	3 153
Total	37,647	38 604
Operating income	23,317	25 803
Interest expense (including interest to affiliates of $0 and $4,000, respectively)	(13 569)	(15 314)
Income before income taxes	9 748	10,489
Income tax (expense) benefit	(2 549)	1 890
Net income	$ 7 199	$ 12 379

See notes to combined financial statements

2004C 012063

UCA CORPORATION AND SUBSIDIARIES
AND GRAND ISLAND CABLE, INC
COMBINED STATEMENTS OF STOCKHOLDER'S EQUITY (DEFICIENCY) (Note 1)
(Dollars in thousands)

	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Notes and Other Receivables from Affiliates-Net	Total Stockholder's Equity (Deficiency)
Balance March 31 1996	$ 1	$ 83,288	$ (64,762)	$ (104,953)	$ (86,426)
Net income			7 199	-	7,199
Amounts repaid by affiliates net				77,932	77,932
Excess of purchase price of acquired assets over related party predecessor owner's book value		(48,201)	2,344	-	(45,857)
Balance March 31 1997	1	35,087	(55,219)	(27,021)	(47 152)
Net income		-	12,379	-	12 379
Amounts repaid by affiliates net	-	-		1,616	1,616
Balance March 31 1998	$ 1	$ 35,087	$ (42,840)	$ (25,405)	$ (33 157)

See notes to combined financial statements

2004C 012064

UCA CORPORATION AND SUBSIDIARIES
AND GRAND ISLAND CABLE INC
COMBINED STATEMENTS OF CASH FLOWS (Note 1)
(Dollars in thousands)

	Year Ended March 31 1997	Year Ended March 31 1998
Cash flows from operating activities		
Net income	$ 7,199	$ 12 379
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	8,645	9 382
Amortization	4,071	3,277
Deferred income tax expense (benefit)	2,419	(2 559)
Changes in operating assets and liabilities net of effects of acquisitions		
Subscriber receivables	18	119
Prepaid expenses and other assets	(80)	91
Accounts payable	(27)	1,099
Subscriber advance payments and deposits	151	551
Accrued interest and other liabilities	(2,111)	627
Net cash provided by operating activities	20,285	24 966
Cash flows from investing activities		
Expenditures for property plant and equipment	(6,786)	(10 455)
Acquisition of Adelphia Cable TV, Inc	(61,674)	-
Cash used for investing activities	(68 460)	(10 455)
Cash flows from financing activities		
Proceeds from bank debt	-	195 000
Proceeds from subordinated note payable to parent company	-	40 000
Repayments of debt	(43 052)	(251 079)
Amounts repaid by affiliates	91 224	1 616
Net cash provided by (used for) financing activities	48 172	(14 463)
(Decrease) Increase in cash and cash equivalents	(3)	48
Cash and cash equivalents beginning of year	240	237
Cash and cash equivalents end of year	$ 237	$ 285
Supplemental disclosure of cash flow activity		
Cash payments for interest	$ 16 531	$ 14 611

See notes to combined financial statements

2004C 012065

UCA CORPORATION AND SUBSIDIARIES
AND GRAND ISLAND CABLE INC
NOTES TO COMBINED FINANCIAL STATEMENTS
(Dollars in thousands)

1 The Companies and Basis of Presentation

UCA Corporation and subsidiaries ("UCA") and Grand Island Cable, Inc (collectively, the Companies") are wholly owned subsidiaries of Adelphia Communications Corporation ("Adelphia") The Companies' operations consist primarily of selling video programming which is distributed primarily to subscribers in Pennsylvania, Virginia and Ohio for a monthly fee through a network of fiber optic and coaxial cables These services are offered in the Companies' respective franchise areas under the name Adelphia

The accompanying combined financial statements include the accounts of the Companies as required under the reducing revolving credit agreement described in Note 4 All significant intercompany transactions and accounts have been eliminated in combination

2 Summary of Significant Accounting Policies

Subscriber Revenues

Subscriber revenues are recorded in the month the service is provided

Programming Expense

During the years ended March 31 1997 and 1998, Adelphia allocated programming expense to the Companies based on the number of programming service subscribers

Property Plant and Equipment

Property plant and equipment are comprised of the following

	March 31	
	1997	1998
Operating plant and equipment	$ 103 311	$ 110 718
Real estate and improvements	2 749	2 785
Support equipment	1 942	2 101
Construction in progress	8 936	11 899
	116 938	127 503
Accumulated depreciation	(59 273)	(68 609)
	$ 57 665	$ 58 894

Depreciation is computed on the straight-line method using estimated useful lives of 5 to 12 years for operating plant and equipment and 3 to 20 years for support equipment and buildings Additions to property plant and equipment are recorded at cost which includes amounts for material applicable labor, overhead and interest Capitalized interest amounted to $193 for each of the years ended March 31 1997 and 1998

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UCA CORPORATION AND SUBSIDIARIES
AND GRAND ISLAND CABLE INC
NOTES TO COMBINED FINANCIAL STATEMENTS
(Dollars in thousands)

Intangible Assets

Intangible assets, net of accumulated amortization, are comprised of the following

	March 31, 1997	March 31, 1998
Purchased franchises	$ 72,911	$ 70 549
Goodwill	3,932	3,793
Non-compete agreements	238	-
	$ 77,081	$ 74,342

A portion of the aggregate purchase price of cable television systems acquired has been allocated to purchased franchises, goodwill and non-compete agreements Purchased franchises and goodwill are amortized on the straight-line method over 40 years Accumulated amortization of intangible assets amounted to $23 644 and $26 307 at March 31, 1997 and 1998, respectively

Amortization of Other Assets

Deferred debt financing costs included in prepaid expenses and other assets are amortized over the term of the related debt The unamortized amounts were $2 164 and $1 962 respectively at March 31 1997 and 1998 respectively

Cash and Cash Equivalents

The Companies consider all highly liquid investments with original maturities of three months or less to be cash equivalents

Subscriber Receivables

An allowance for doubtful accounts of $117 and $106 has been deducted from subscriber receivables at March 31 1997 and 1998 respectively

Asset Impairments

The Companies periodically review the carrying amounts of their long lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable Measurement of any impairment would include a comparison of estimated future operating cash flows anticipated to be generated during the remaining life of the assets with their net carrying value An impairment loss would be recognized as the amount by which the carrying value of the assets exceeds their fair value

UCA CORPORATION AND SUBSIDIARIES
AND GRAND ISLAND CABLE INC
NOTES TO COMBINED FINANCIAL STATEMENTS
(Dollars in thousands)

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

3 Acquisition of Cable Systems

On January 1, 1997, UCA acquired all of the assets and liabilities of Adelphia Cable T V Inc from Adelphia for $63,000 Due to the common ownership of the entities involved in this transaction, the assets and liabilities acquired were recorded at historical cost and the excess of the purchase price over historical cost was charged to additional paid-in capital

On December 1, 1997 UCA exchanged a cable system serving approximately 4,000 subscribers primarily in North Carolina, for a cable system owned by Time Warner Entertainment-Advance/Newhouse serving approximately 4 000 subscribers in Pennsylvania No gain or loss was recognized as a result of this transaction

4 Notes Payable to Banks

The Companies have a $200 million reducing revolving credit facility with several banks This credit arrangement provides for mandatory reductions in the revolving loan commitments in increasing quarterly amounts through September 30, 2003 On the dates of such commitment reductions the Companies are obligated to repay outstanding loans in excess of remaining commitments

Borrowings under this credit arrangement are collateralized by a pledge of the ownership interests of the Companies The agreement limits among other things additional borrowings, investments transactions with affiliates and other subsidiaries of Adelphia and payment of dividends and fees and requires the maintenance of certain financial ratios by the Companies The agreement also provides that advances and contributions from affiliates may be returned to the affiliates to the extent contributed or advanced from the closing date of the loan

Interest rates charged are based upon one or more of the following rates at the option of the Companies greater of prime or federal funds plus 5% plus 0% to 875% certificate of deposit rate plus 1 125% to 2 125% and LIBOR plus 875% to 1 875% Interest on outstanding borrowings is payable on a quarterly basis

At March 31 1997 and 1998 the weighted average interest rate on bank debt including the effect of interest rate hedging arrangements was 7 31% and 6 59% respectively

UCA CORPORATION AND SUBSIDIARIES
AND GRAND ISLAND CABLE INC
NOTES TO COMBINED FINANCIAL STATEMENTS
(Dollars in thousands)

The following table sets forth the mandatory reductions in principal under all agreements for indebtedness for each of the next five years based on amounts outstanding at March 31 1998

Fiscal year ended	
March 31, 1999	$ 65
March 31, 2000	65
March 31, 2001	1,016
March 31, 2002	40,016
March 31, 2003	40,162

The Companies intend to fund their requirements for maturities of debt through internally generated funds or borrowings under new credit arrangements Changing conditions in the financial markets may have some impact on how the Companies will refinance their debt in the future

The Companies have entered into interest rate cap agreements with banks and an affiliate to reduce the impact of changes in interest rates on their floating rate bank debt Interest rate cap agreements are used to reduce the impact of increases in interest rates on variable-rate debt The Companies are exposed to credit loss in the event of nonperformance by the banks and the affiliate The Companies do not expect any such nonperformance

The following table summarizes the notional amounts outstanding and the weighted average interest rate data for all interest rate caps which expire through 2000

	March 31	
	1997	1998
Notional amount	$ 125 000	$ 125 000
Average cap rate	9 00%	9 00%

5 Commitments and Contingencies

The Companies rent office and studio space tower sites and space on utility poles under leases with terms which are generally less than one year or under agreements that are generally cancelable on short notice Total rental expense under all operating leases aggregated $549 and $533 for the years ended March 31 1997 and 1998 respectively

In connection with certain obligations under franchise agreements the Companies obtain surety bonds guaranteeing performance to municipalities and public utilities Payment is required only in the event of nonperformance The Companies have fulfilled all of their obligations such that no payments under surety bonds have been required

The cable television industry and the Companies are subject to extensive regulation at the federal state and local levels Pursuant to the Cable Television Consumer Protection and Competition Act of 1992 (the 1992 Cable Act) which significantly expanded the scope of regulation of certain subscriber rates and a

UCA CORPORATION AND SUBSIDIARIES
AND GRAND ISLAND CABLE INC
NOTES TO COMBINED FINANCIAL STATEMENTS
(Dollars in thousands)

number of other matters in the cable industry the Federal Communication Commission (the FCC) has adopted rate regulations that establish on a system-by-system basis maximum allowable rates for (i) basic and cable programming services (other than programming offered on a per-channel or per-program basis), based upon a benchmark methodology, and (ii) associated equipment and installation services based upon cost plus a reasonable profit Under the FCC rules, franchising authorities are authorized to regulate rates for basic services and associated equipment and installation services, and the FCC will regulate rates for regulated cable programming services in response to complaints filed with the agency The original rate regulations became effective on September 1 1993 Several amendments to the rate regulations have subsequently been added

The FCC has adopted regulations implementing all of the requirements of the 1992 Cable Act The FCC is also likely to continue to modify, clarify or refine the rate regulations The Telecommunications Act of 1996 deregulates the rates for cable programming services on March 31, 1999 The Companies cannot predict the effect or outcome of the future rulemaking proceedings, changes to the rate regulations or litigation

In fiscal 1996 the Companies recorded a $600 charge representing management s estimate of the total costs to be incurred to resolve all of their rate complaints with the FCC On May 1, 1997, Adelphia reached a settlement of all rate complaints before the FCC on terms and conditions consistent with certain other cable television companies that utilized a la carte packages that have reached settlement/resolution with the FCC on this issue At March 31, 1998, $210 of the $600 charge remained in accrued interest and other liabilities which management believes is adequate to cover the settlement No assurance can be given as to what other future actions Congress the FCC or other regulatory authorities may take or the effects thereof on the Companies The Companies are currently unable to predict the effect that the amended regulations future FCC treatment of a la carte packages or other future FCC rulemaking proceedings will have on their business and results of operations in future periods

6 Employee Benefit Plans

The Companies participate in an Adelphia savings plan (401(k)) which provides that eligible full-time employees may contribute from 3% to 16% of their pre-tax compensation subject to certain limitations The Companies make matching contributions not exceeding 1 5% of participating employees pre tax compensation During the years ended March 31 1997 and 1998 no material matching contributions were made

7 Disclosures about Fair Value of Financial Instruments

Included in the Companies financial instrument portfolio are cash notes payable and interest rate caps The carrying values of the cash notes payable and interest rate cap agreements approximate their fair values at March 31 1997 and 1998 The fair values of the debt and interest rate caps were based upon quoted market prices of similar instruments or on rates available to the Companies for instruments of similar remaining maturities

8 Taxes on Income

Adelphia and its corporate subsidiaries (including the Companies) file a consolidated federal income tax return For financial reporting purposes current and deferred income tax assets and liabilities are computed on a separate company basis in making the computation of federal income taxes the net operating are adjusted for the effects of filing a consolidated income tax return similar to provisions of the Internal Revenue Code At March 31 1998 the Companies had net operating loss carryforwards for federal income tax purposes of approximately $78 441 expiring through 2013

UCA CORPORATION AND SUBSIDIARIES
AND GRAND ISLAND CABLE INC
NOTES TO COMBINED FINANCIAL STATEMENTS
(Dollars in thousands)

Deferred income taxes reflect the net tax effects of (a) temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and (b) operating loss and tax credit carryforwards

The Companies' net deferred tax liability as of March 31 1997 and 1998 is comprised of the following

	March 31, 1997	March 31, 1998
Deferred tax liabilities		
Differences between book and tax basis of property, plant and equipment and intangible assets	$ 20 374	$ 19 818
Deferred tax assets		
Operating loss carryforwards	29 836	29,970
Other	2,430	1 356
Valuation allowance	(31 987)	(29 044)
Subtotal	279	2 282
Net deferred tax liability	$ 20 095	$ 17 536

The net change in the valuation allowance for the years ended March 31 1997 and 1998 was an increase of $21 607 and a decrease of $2 943 respectively

Income tax (expense) benefit is comprised of the following

	Year Ended March 31 1997	Year Ended March 31 1998
Current	$ (130)	$ (669)
Deferred	(2 419)	2 559
	$ (2 549)	$ 1 890

The difference between the Companies effective income tax rate and the federal statutory rate of 35% relates primarily to a change in the Companies valuation allowance and state income taxes

2004C 012071

UCA CORPORATION AND SUBSIDIARIES
AND GRAND ISLAND CABLE, INC
NOTES TO COMBINED FINANCIAL STATEMENTS
(Dollars in thousands)

9 Transactions with Adelphia and Other Affiliates

During the years ended March 31, 1997 and 1998, the Companies managed cable television systems of an affiliate The Companies' management agreement provides for payment of fees to the Companies equal to 5% of each managed cable television system's gross revenues These fees, which are included in revenues, totaled $650 and $695 for the years ended March 31, 1997 and 1998, respectively

The Companies have an agreement with another subsidiary of Adelphia ("Managing Affiliate"), which provides for the payment of fees by the Companies of up to 5% of the Companies' gross revenues for the years ended March 31, 1997 and 1998 The amount and payment of these fees is subject to the restrictions contained in the reducing revolving credit agreement The Managing Affiliate also charged the Companies for the estimated benefit of volume equipment purchase discounts which aggregated $520 and $1,059 for the years ended March 31, 1997 and 1998, respectively

The Companies have periodically advanced funds to and received funds from Adelphia and other affiliates Interest earned on these receivables which is included in revenues, amounted to $3,003 and $2,712 for the years ended March 31, 1997 and 1998, respectively

At March 31, 1998, the Companies had an interest rate cap agreement with Adelphia with a notional principal amount of $75,000 and a rate cap of 9% This cap expires in fiscal 1999 The fee for each of the years ended March 31, 1997 and 1998 for this cap was $30

On April 1, 1997, the Companies borrowed $40,000 under a subordinated note agreement with Adelphia Interest is charged to the Company by Adelphia at the annual rate of 10% Interest expense on this note of $4 000 is included in interest expense for the year ended March 31 1998

2004C 012073

E. Financial Projections

UCA Corp. / Hilton Head Communcations
Credit Analysis: Management's Base Case Secnario

2004C 012075

SALOMON SMITH BARNEY

UCA Corp / Hilton Head Communications
Transaction Summary
[illegible]

1=Management s Case, 2=SSB Case		1

Sources of Funds		
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	0	[illegible]
[illegible]	[illegible]	
Uses of Funds		
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	0	[illegible]
[illegible]	[illegible]	

MANAGEMENT S SCENARIO
Financial Summary

	LQA	Projected fiscal year ended March 31,								
		0	1	2	3	4	5	6	7	8
	[illegible]	1999	2000	2001	2002	2003	2004	2005	2006	2007
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2%
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0	0
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CREDIT RATIOS										
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2004C 012076

JCA Corp / Hilton Head Communications
Summary Income Statement

MANAGEMENT SCENARIO

	9/30/98	LQA 9/30/98	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
			Fiscal Year Ending March 31									
Homes Passed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Growth			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Penetration	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Subscribers (End of Period)												
Analog Video Service	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Growth			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Advertising	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Digital Video	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cable Modem	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Growth			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Subs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pricing Point Per Service												
Analog Video Service	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Advertising	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Digital Video	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cable Modem	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Contribution per Basic Sub												
Analog Video Service	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Advertising	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Digital Video	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cable Modem	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Revenue												
Analog Video Service	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Advertising	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Digital Video	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cable Modem	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EBITDA												
Analog Video Service	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Advertising	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Digital Video	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cable Modem	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EBITDA Margin												
Analog Video Service	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Advertising	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Digital Video	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cable Modem	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CAPEX Assumptions	[illegible]	45,420	45,420	47,256	51,455	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Digital Penetration	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cable Modem Penetration	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ad Revenue / Total Revenue	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ad Revenue Growth			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Capex / Avg Sub			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2004C 012077

UCA Corp / Hilton Head Communications

Cash Flow & Credit Statistics

	LQA 4/10/98	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
		Fiscal Year Ending March 31									
Sources											
EBITDA	$[illegible]	$[illegible]	$10[illegible]	$115,[illegible]	$12[illegible]	$145,[illegible]	$160,540	$175,[illegible]	$18[illegible]	$200,[illegible]	$212,[illegible]
Management Fees	0	0	0	0	0	0	0	0	0	0	0
Asset Sales	0	0	0	0	0	0	0	0	0	0	0
Other Sources	0	0	0	0	0	0	0	0	0	0	0
Equity Sold	0	0	0	0	0	0	0	0	0	0	0
Total	$[illegible]	$[illegible]	$10[illegible]	$115,[illegible]	$12[illegible]	$14[illegible]	$160,540	$17[illegible]	$18[illegible]	$200,[illegible]	$21[illegible]
Uses											
Interest Expense [illegible]	$0	($45,[illegible])	($4[illegible])	($41,418)	($38,[illegible])	($3[illegible])	($2[illegible])	($19,[illegible])	($[illegible])	$[illegible]	$21,[illegible]
[illegible]	[illegible]			0	0	0	0	0	0	0	0
Capital Expenditures	0	($45,420)	(47,2[illegible])	(51,[illegible])	(29,[illegible])	(2[illegible])	([illegible])	(20,[illegible])	(20,7[illegible])	(18,[illegible])	(20,[illegible])
(Commitment Fee)	0	0	0	0	0	0	0	0	0	0	0
Total	$0	($[illegible])	($[illegible])	($[illegible])	($[illegible])	($[illegible])	($[illegible])	($[illegible])	($[illegible])	($[illegible])	$[illegible]
Free Cash Flow		$7,[illegible]	$1[illegible]	$23,019	$[illegible]	$[illegible]	$111,[illegible]	$1[illegible]	$1[illegible]	$197,21[illegible]	$21[illegible]
Paydown Debt	0	(7,[illegible])	(14,[illegible])	(23,019)	(6[illegible])	([illegible])	(111,[illegible])	(1[illegible])	(1[illegible])	(27,[illegible])	0
CASH											
Beginning Balance	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	17[illegible]
Change in Cash Balance	0	0	0	0	0	0	0	0	0	169,4[illegible]	21[illegible]
Ending Cash Balance	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	173,452	38[illegible]
Cash Available to Pay Debt		$7,[illegible]	$1[illegible]	$23,019	$[illegible]	$[illegible]	$111,[illegible]	$135,0[illegible]	$159,[illegible]	$1[illegible]	$21[illegible]
Cumulative Cash [illegible]		7,[illegible]	21,[illegible]	44,287	10[illegible]	1[illegible]	30[illegible]	437,[illegible]	[illegible]	7[illegible]	[illegible]

Credit Stats	LQA 4/10/98	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
		Fiscal Year Ending March 31									
EBITDA	$[illegible]	$[illegible]	$10[illegible]	$115,[illegible]	$12[illegible]	$14[illegible]	$160,540	$175,19[illegible]	$18[illegible]	$200,[illegible]	$21[illegible]
Total Debt	$[illegible]	$[illegible]	$[illegible]	$[illegible]	$[illegible]	$[illegible]	$317,[illegible]	$18[illegible]	$22,76[illegible]	$0	$0
Interest Expense		$45,[illegible]	$4[illegible]	$41,414	$[illegible]	$[illegible]	$[illegible]	$19,[illegible]	$[illegible]	($[illegible])	($[illegible])
Capex		$45,420	$47,[illegible]	$51,[illegible]	$[illegible]	$[illegible]	$[illegible]	$20,[illegible]	$20,7[illegible]	$1[illegible]	$[illegible]
Total Debt / EBITDA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EBITDA / Interest		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	([illegible])	([illegible])
EBITDA - Capex / Interest		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	([illegible])	([illegible])

2004C 012078

UCA Corp / Hilton Head Communications
Debt Schedule & Interest Expense

	LQA 9/30/98	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
		Fiscal Year Ending March 31									
Tranche A Revolving Bank Debt											
Beginning of Year Debt Outstanding	$320,000	$320,000	$312,892	$298,712	$275,713	$214,429	$129,785	$17,803	$0	$0	$0
Principal Repayment		(7,108)	(14,180)	(23,019)	(61,284)	(84,644)	(111,982)	(17,803)	0	0	0
End of Year Debt Outstanding		312,892	298,712	275,713	214,429	129,785	17,803	0	0	0	0
LIBOR Rate		5.39%	5.37%	5.39%	5.39%	[illegible]	[illegible]	5.64%	[illegible]	5.64%	[illegible]
Credit Spread		1.67%	1.00%	0.75%	0.63%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Floating Interest Rate		7.05%	6.37%	6.14%	6.02%	6.27%	6.27%	6.27%	[illegible]	6.27%	6.27%

	LQA 9/30/98	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
		Fiscal Year Ending March 31									
Tranche B Term Loan											
Beginning of Year Debt Outstanding	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$182,741	$22,764	$0
Principal Repayment		0	0	0	0	0	0	(117,259)	(159,980)	(22,764)	0
End of Year Debt Outstanding		300,000	300,000	300,000	300,000	300,000	300,000	182,741	22,764	0	0
LIBOR Rate		[illegible]	5.41%	5.39%	5.39%	[illegible]	[illegible]	5.64%	5.64%	5.64%	[illegible]
Credit Spread		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Floating Interest Rate		7.8?%	7.89%	7.89%	7.89%	8.14%	8.14%	8.14%	8.14%	8.14%	8.14%
[illegible]		7,102.7	14,160.5	23,019.2	61,284.0	84,644.4	111,982.4	135,062.4	159,980.1	192,216.?	[illegible]
[illegible] Tranche A Rev [illegible]		(7,102.7)	(14,160.5)	(23,019.2)	(61,284.0)	(84,644.4)	(111,982.4)	(17,802.8)	0.0	0.0	0.0
[illegible] Excess Cash		0.0	0.0	0.0	0.0	0.0	0.0	117,259.6	159,980.1	192,216.?	[illegible]
[illegible] Tranche B Term Loan		0.0	0.0	0.0	0.0	0.0	0.0	(117,259.6)	(159,980.1)	(22,764.?)	0.0
[illegible] Excess Cash		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	169,451.?	[illegible]
Beginning of Year Debt Balance		$620,000	$612,892	$598,712	$575,713	$514,429	$429,785	$317,803	$182,741	$22,764	$0
Debt Paid Down During Year		(7,108)	(14,180)	(23,019)	(61,284)	(84,644)	(111,982)	(135,062)	(159,980)	(22,764)	0
Total Debt Outstanding	$620,000	$612,892	$598,712	$575,713	$514,429	$429,785	$317,803	$182,741	$22,764	$0	$0
Net Interest Expense (Income)											
Revolving Bank Debt Less Interest [illegible]		[illegible]	[illegible]	$17,711	[illegible]	[illegible]	[illegible]	[illegible]	(9,251)	(10,087)	[illegible]
Term Loan [illegible]		23,670	23,670	23,670	23,670	24,4??	24,439	19,414	8,5??	927	0
Total Net Interest Expense (Income)		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2004C 012079

2004C 012080

UCA Corp. / Hilton Head Communcations
Credit Analysis: Salomon Smith Barney's Downside Scenario

Salomon Smith Barney's Changes to Mangement's Assumptions

- Homes passed penetration remains the same
- Analog video service and advertising revenue growth remains the same
- Digital video and cable modem growth is cut in half in every year
- Pricing points for all services remains the same
- OCF margins for analog video, advertising, digital video and other revenues are all cut by 5% in each year beginning in 2000
- Capex remains the same

2004C 012081

SALOMON SMITH BARNEY

UCA Corp / Hilton Head Communcations

Transaction Summary

1=Management s Case, 2=SSB Case		2
Sources of Funds		
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	0	[illegible]
[illegible]	[illegible]	
Uses of Funds		
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	0	[illegible]
[illegible]	620,000	

SSB Case

Financial Summary

Projected fiscal year ended March 31,

	LQA	1999	2000	2001	2002	2003	2004	2005	2006	2007
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EBITDA	[illegible]	[illegible]	[illegible]	$106,794	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	247,102	[illegible]	[illegible]
[illegible]		$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000
[illegible]		7,108	7,810	19,209	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		7,108	[illegible]	26,127	[illegible]	127,714	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	60.1%	77.6%
CREDIT RATIOS										
EBITDA / Int Expense		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	NM
EBITDA - Capex / Int Expense		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0	NM
[illegible] Debt / EBITDA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Debt / EBITDA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Salomon Smith Barney

2004C 012082

UCA Corp / Hilton Head Communications
Summary Income Statement

SSB Case

	[illegible]	LQA [illegible]	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Homes Passed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Growth			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Penetration	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Subscribers at End of Period												
Analog Video Service	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Growth			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Advertising	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Digital Video	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Growth			[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cable Modem	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Growth			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Subs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pricing Per Unit Per Service												
Analog Video Service	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Advertising	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Digital Video	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cable Modem	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Contribution per Basic Sub												
Analog Video Service	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Advertising	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Digital TV Svc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cable Modem	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Revenue												
Analog Video Service	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Advertising	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Digital TV Svc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cable Modem	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EBITDA												
Analog Video Service	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Advertising	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Digital TV Svc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cable Modem	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EBITDA Margin												
Analog Video Service	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Advertising	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Digital TV Svc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cable Modem	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CAPEX Assumptions	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Digital Penetration	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cable Modem Penetration	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ad Revenue / Total Revenue	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ad Revenue Growth			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Capex / Avg Sub			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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UCA Corp / Hilton Head Communcations
Cash Flow & Credit Statistics

	TQA 6/30/98	Fiscal Year Ending March 31 1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Sources											
EBITDA	$[illegible]	$98,211	$[illegible]	$101,784	$111,304	$117,[illegible]	$125,745	$130,792	$[illegible]	$141,714	$147,[illegible]
Management Fees	0	0	0	0	0	0	0	0	0	0	0
Asset Sales	0	0	0	0	0	0	0	0	0	0	0
Other Sources	0	0	0	0	0	0	0	0	0	0	0
Equity Sold	0	0	0	0	0	0	0	0	0	0	0
Total	$[illegible]	$98,211	$[illegible]	$101,784	$111,304	$117,[illegible]	$12[illegible]	$130,792	$[illegible]	$141,714	$147,[illegible]
Uses											
[illegible]	[illegible]	[illegible]	[illegible]	($42,[illegible])	($[illegible])	($[illegible])	($[illegible])	($27,[illegible])	($21,2[illegible])	($[illegible])	($[illegible])
(Fixed Debt Amortization)	0	0	0	0	0	0	0	0	0	0	0
(Capital Expenditures)	0	(45,420)	(47,256)	(51,455)	(29,678)	(27,068)	(17,272)	(20,180)	(20,78[illegible])	(18,199)	(20,[illegible])
(Commitment Fee)	0	0	0	0	0	0	0	0	0	0	0
Total	$0	($[illegible])	($70,416)	($[illegible])	($[illegible])	($[illegible])	($[illegible])	($[illegible])	($[illegible])	($[illegible])	($[illegible])
Excess Cash Flow		$7,108	$7,810	$17,209	$41,784	$[illegible]	$71,500	$81,422	$[illegible]	$108,112	$121,[illegible]
Pay Down Debt	0	(7,108)	(7,810)	(17,209)	(41,784)	([illegible])	(71,500)	(81,422)	([illegible])	(108,112)	(121,[illegible])
CASH											
Beginning Balance	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Change in Cash Balance	0	0	0	0	0	0	0	0	0	0	0
Ending Cash Balance	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Cash Available to Pay Debt		$7,108	$7,810	$17,209	$41,784	$[illegible]	$71,500	$81,422	$[illegible]	$108,112	$121,[illegible]
Cumulative Cash Flow		7,108	14,918	28,127	71,911	127,714	199,213	[illegible]	[illegible]	[illegible]	[illegible]

Credit Stats	TQA 6/30/98	Fiscal Year Ending March 31 1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
EBITDA	$[illegible]	$98,211	$[illegible]	$101,784	$111,304	$117,[illegible]	$125,[illegible]	$130,792	$[illegible]	$141,711	$147,[illegible]
Total Debt	$[illegible]	$[illegible]	$[illegible]	$[illegible]	$[illegible]	$[illegible]	$120,787	$[illegible]	$[illegible]	$[illegible]	$[illegible]
Interest Expense		$[illegible]	$[illegible]	$[illegible]	$[illegible]	$[illegible]	$[illegible]	$[illegible]	$[illegible]	$[illegible]	$[illegible]
Capex		$45,420	$47,2[illegible]	$51,455	$29,678	$27,068	$17,272	$20,180	$20,785	$18,199	$20,[illegible]
Total Debt / EBITDA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EBITDA / Interest		[illegible]	2.2	[illegible]	2.8	[illegible]	[illegible]	[illegible]	5.9	[illegible]	[illegible]
EBITDA - Cap Ex / Interest		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2004C 012084

UCA Corp / Hilton Head Communications
Debt Schedule & Interest Expense

	EQA 9/30/98	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
		Fiscal Year Ending March 31									
Tranche A Revolving Bank Debt											
Beginning of Year Debt Outstanding	$320,000	$320,000	$312,812	$305,782	$291,873	$[illegible]	$192,286	$120,787	$39,365	$0	$0
Borrowing (Repayment)		(7,188)	(7,810)	(13,209)	(47,783)	(55,803)	(71,500)	(81,422)	(39,365)	0	0
End of Year Debt Outstanding		312,812	305,082	291,873	244,089	192,286	120,787	39,365	0	0	0
LIBOR Rate		5.18%	5.30%	5.39%	5.39%	5.17%	5.17%	5.17%	5.17%	5.17%	[illegible]
Credit Spread		1.86%	1.00%	0.75%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63%	0.63
Floating Interest Rate		7.05	6.30%	6.14%	6.02%	6.27	6.27%	6.27	6.27%	6.27%	6.27

	EQA 9/30/98	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
		Fiscal Year Ending March 31									
Tranche B Term Loan											
Beginning of Year Debt Outstanding	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$247,102	$138,971
Borrowing (Repayment)		0	0	0	0	0	0	0	(52,898)	(108,132)	(121,200)
End of Year Debt Outstanding		300,000	300,000	300,000	300,000	300,000	300,000	300,000	247,102	138,971	17,771
LIBOR Rate		5.39%	5.39%	5.39%	5.39%	5.64%	5.64%	5.64%	5.64%	5.64%	[illegible]
Credit Spread		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50
Floating Interest Rate		7.89	7.89%	7.89%	7.89%	8.14%	8.14%	8.14%	8.14%	8.14%	8.14
(Deficiency)/Excess Cash		7,187.3	7,810.3	13,209.4	47,783.0	55,802.2	71,499.6	81,422.3	92,262.1	108,131.6	121,199.6
(Payment)/Borrowing on Tranche A Revolver		(7,187.3)	(7,810.3)	(13,209.4)	(47,783.0)	(55,802.2)	(71,499.6)	(81,422.3)	(39,364.6)	0.0	0.0
(Deficiency)/Excess Cash		0.0	0.0	0.0	0.0	0.0	0.0	0.0	52,897.6	108,131.6	121,199.6
(Payment)/Borrowing on Tranche B Term Loan		0.0	0.0	0.0	0.0	0.0	0.0	0.0	(52,897.6)	(108,131.6)	(121,199.6)
(Deficiency)/Excess Cash		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Beginning of Year Debt Balance		$620,000	$612,812	$605,082	$591,873	$544,089	$512,286	$420,787	$339,365	$247,102	$138,971
Debt Paid Down During Year		(7,188)	(7,810)	(13,209)	(47,783)	(55,803)	(71,500)	(81,422)	(92,263)	(108,132)	(121,200)
Total Debt Outstanding	$620,000	$612,812	$605,082	$591,873	$544,089	$512,286	$420,787	$339,365	$247,102	$138,971	$17,771
Net Interest Expense (Income)											
Revolving Bank Debt Less Ending Cash Balance		$22,017	$20,481	$18,439	$16,172	$13,285	$9,564	$5,770	$983	($751)	($2,[illegible])
Term Loan Bank Debt		23,670	23,670	23,670	23,670	24,420	24,420	24,420	22,267	15,711	[illegible]
Total Net Interest Expense (Income)		$45,[illegible]	$44,1[illegible]	$42,119	$39,842	$37,705	$33,984	$30,190	$23,250	$14,[illegible]	$[illegible]

2004C 012086

F. Bank Loan Comparables

Adelphia Transactions Summary of Terms Analysis

Borrower	Proposed HHC & UCA (Adelphia)	Parnassos (Adelphia)	Adelphia (HVA)	Chelsea (Adelphia)	UCA Corp (Adelphia)
Deal Size ($MM)	$700MM	$700MM	$200MM	$590MM	$200MM
Date In Market	March 99	December 98	March 96	April 96	March 95
Purpose	Refinance/distributions/GCP	Refinance/Acqu/GCP	Refinance	GCP/Acquisitions	Acquisition/ Refinance/Capex
Rating	NR	BB /Ba3	| |	Ba2	Ba2
Security	Negative Pledge sub of mgmnt fees upstream gtees	Stock Partnership Interests sub of mgmnt fees upstream gtees	All Stock sub of mgmnt fees	All Stock sub of mgmnt fees	All assets & Stock sub of mgmnt fees
Facilities	RRC 400MM TLB 300MM	RRC 350 TL 350	RRC 200	RC 540 TL 150	RRC 200
Tenors	RRC 8 5 TL 8 5	RRC 8 5 TL 8 5	RRC 8 5	RC 7 7 TL 8 7	RRC 8 5
Drawn Cost (bps)	175 0	200bps 1 6 months Grid thereafter	200	RC 200 TL 275 (no Grid)	187 5
Undrawn Cost (bps)	37 5	>=4 5x 37 5 (<4 5x 25)	37 5	35	37 5
FINANCIAL COVENANTS					
Leverage Ratio	Senior 6 50x 4 5x year 3) Total None	Senior None Total 6 5x - 4 5x by 4/1/02	Senior None Total 6 5x 4 0x	Senior 6 5x 4 0x by 7/7/02 & after Total None	Senior Funded 6 0x 4 5x by 7/1/98 Total None
Fixed Charge Coverage	1 0x after year 3 None if Lev < 3 5x	1 0x from 3/31/01 fwd None if Total Lev <3 5x	1 0x	1 0x after year 1	1 0x
Capex	None	$85MM Max yr 1&2 per annum	None	None	None
Interest Coverage	1 0x	2 0x	1 75x 2 0x by 9/30/96	1 625 - 2 0x after 3/31/98	1 875x through 9/30/98 2 0x thereafter
PF Debt Service Coverage	1 1x None if Lev < 3 5x	1 10x None if Total Lev < 3 5x	1 05x if Lev <3 0x credit given for 50% of XS Cash for OCF	1 1x	1 05x add 50% of XS Cash to OCF if Sr Lev <3 0x & test level at 1 15x
Negative Covenants	Negative Pledge $150MM aggregate acquisition basket $35MM Capital Lease basket Permitted asset sales/swaps if single sale < 25% of Ann OCF (aggregate sales < 35 4) Restricted Pmts if Sr Lev 5x Mngmnt Fee <-5 Gross Rev	Negative Pledge $150MM Agg Permitted Acquisitions Unsecured & Sub debt $125MM Affiliate sub debt Max $35MM cap leases Asset Sales if <25% of Ann OCF (35% aggregate limit over life) Restricted Pmts if Lev<5x Mngmnt Fee < 5 4 Gross Rev	Negative Pledge $25MM Capital Contribution allowance $1MM acquisition allowance $40MM unsecured Sub debt basket $15MM Capital Lease Basket Asset Sales if <15% of Ann OCF (25 aggregate limit over life) Restricted Pmts if Sr Lev<4 75x Mngmnt Fee <-5% Gross Rev	Negative Pledge $100MM Sub Debt Allowance $1MM Unsecured Debt Allowance $35MM indiv Acq $130MM Agg Acqs Asset Sales if <15% of Ann OCF (25% aggregate limit over life / 35% w/ swaps) Restricted Pmts if Sr Lev<4 75x Mngmnt Fee < 5% Gross Rev	Negative Pledge $15MM Purchase Money Debt basket $40MM Sub Debt from Affiliates Asset Sales if <15% of OCF (25 aggregate limit over life) $40MM Aggregate Acquisition Limit Restricted Pmts if Sr Lev 5 5x Mngmnt Fee < 5 Gross Rev
Amortization	RC Commitment Reductions Yr3 75 3 Yr4 12 Yr5 17% Yr6 17 Yr7 17 Yr8 22 Yr8 5 12% TLB Bullet 9/30/07 no amortization Mandatory Prepmnts 100% asset sales (12mos reinvestment period)	Reductions RC TLA 2001 12 8 2002 12 12 2003 17 12 2004 17 15 75 2005 17 17 4 2006 22 25 2007 Remainder Mandatory Prepmnts 100 asset sales (12mos reinvestment period)	RC Commitment Reductions 1999 10 2000 11 875 / 2001 16 25 2002 19 375 / 2003 21 875% 2004 18 125	RC Commitment Reductions Y1998 5% Y1999 10% Y2000 14 5% Y2001 19% Y2002 24% Y2003 Remainder	RC Commitment Reductions [illegible] 25MM or 50% of unused Total Commitment on 6/30/97 AND [illegible] per yr Y1997 6 / Y2003 Remainder Y1998 11 Y1999 13 5 / Y2000 15 5 Y2001 19 / Y2002 20% Mandatory Prepmnts 100 [illegible] sale (12mos reinvestment period)
Grid based on Leveraged Ratio	Senior Leverage 6 50x 175 6 25x 162 5 6 0x 137 5 5 75x 100 0 5 25x 75 0 4 75x 62 5	Total Leverage > 6 25x 200 6 0x 187 5 5 75x 162 5 5 25x 125 4 75x 100 <4 75x 75	Senior Leverage >6 0 200 5 5 187 5 5 0 150 4 5 125 4 0 100 <4 0 75	Senior Leverage >6 25 200 5 75 175 5 25 150 4 75 125 4 25 100 3 75 75 <3 75 62 5 Margin reduced if BB or better	Senior Leverage > 5 5 187 5 5 0 162 5 4 5 137 5 4 0 112 5 4 0 87 5

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Adelphia Transactions Summary of Terms Analysis

Borrower	Proposed HHC & UCA (Adelphia)	Hilton Head LP (Adelphia)	
Deal Size ($MM)	$700MM	$350MM	
Date In Market	March 99	December 94	
Purpose	Refinance/distributions/GCP	Refinance/Acqu /GCP	
Rating	NR	NR	
Security	Negative Pledge sub of mgmnt fees upstream gtees	All assets & Partnership Interests sub of mgmngt fees	
Facilities	RRC 400MM TLB 300MM	RRC 350	
Tenors	RRC 8 5 TL 8 5	RRC 8 5	
Drawn Cost (bps)	175 0	200	
Undrawn Cost (bps)	37 5	37 5	
FINANCIAL COVENANTS			
Leverage Ratio	Senior 6 50x 4 5x year 3+ Total None	Senior Funded 6 5x 4 5x by yr 3 25+ Total None	
Fixed Charge Coverage	1 0x after year 3 None if Lev < 3 5x	1 0x	
Capex	None	None	
Interest Coverage	1 6x	1 625x through 9/30/95 1 75x through 9/30/96 1 875x thereafter	
PF Debt Service Coverage	1 1x None if Lev < 3 5x	1 15x	
Negative Covenants	Negative Pledge $150MM aggregate acqusition basket $35MM Capital Lease basket Permitted asset sales/swaps if single sale < 25% of Ann OCF (aggregate sales < 35%) Restricted Pmts if Sr Lev<5x Mngmnt Fee <=5% Gross Rev	Negative Pledge $15MM Purchase Money Debt basket $70MM Sub Debt from Affiliates basket Asset Sales if <15% of OCF (25% aggregate limit) $50MM Aggregate Acqusition limit Restricted Pmts if Sr Lev<4 75x Mngmnt Fee <=5 % Gross Rev	
Amortization	RC Commitment Reductions Yr3 75 3% Yr4 12 % Yr5 17 Yr6 17 Yr7 17 Yr8 22 Yr8 5 12 TLB Bullet 9/30/07 no amortization Mandatory Prepmnts 100% asset sales (12mos reinvestment period)	RC Commitment Reductions NA Mandatory Prepmnts 100% asset sales (12mos reinvestment period)	
Grid based on Leveraged Ratio	Senior Leverage 6 50x 175 6 25x 162 5 6 0x 137 5 5 75x 100 0 5 25x 75 0 4 75x 62 5	Senior Funded Leverage > 6 0x 200 5 5x 175 5 0x 150 4 5x 125 4 0x 100 <4 0x 75	

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Cable Transactions Summary of Terms Analysis

Borrower	TWFanch One	Bresnan Telecomm	Interlink Comm	Lenfest	Texas Cable
Deal Size ($MM)	$850	$025MM	$350MM	$300MM	$1 500MM
Date in Market	January 99	January 99	Nov 98	August 98	Nov 98
Purpose	Acquisition	Refinance/Acqu /GCP	Refinance/Acqu	Debt Repayment	JV/GCP
Rating	NA	BB+/Ba3	NR	BB+/Ba3	NR
Security	Secured by partnership interest & stock & all intercompany notes	Secured by 100% of membership pledges & intercompany notes and has a negative pledge on assets	Secured by 1 priority in all assets & partnership interests and stock	Negative Pledge	Stock Upstream gtees
Facilities	RRC 350 TLA 300 TLB 200	RRC 150MM TLA 303MM TLB 172MM	RC 100MM TL 250MM	RRC 300	RRC 500 TL 1 000
Tenors	RC 8 5 TLA 8 5 TLB 9	RRC 8 5 TLA 8 5 TLB 9 0	RRC 8 3 TL 8 3	RRC 7 5	RC 8 5 TL 8 5
Drawn Cost (bps)	RC & TL 225 TLB 275	RC & TLA 200bps 1 6 months TLB 275	RC 275	125	200bps 1 6 months Grid there after
Undrawn Cost (bps)	37 5 (25 when Lev<5 5x)	37 5	50 0	37 5 (25 when Lev<5x)	37 5 (25 when Lev<4 5x)
FINANCIAL COVENANTS.					
Leverage Ratio	Senior None Total 6 90x to 4 0x by 2004	Senior 5 75x – 4 0x by year 3 6+ Total 7 0x – 5 0x year3 2 +	Senior 4 5x maximum Total 0 5x – 3 0x by year 5 6+	Senior 5 5x – 3 0x by year 5 3 + Total 6 75x – 4 5x by year 5 3+	Senior None Total < 0 9x down to 4 0x by 12/31/03
Fixed Charge Coverage	None	None	1 05x after year 3	None	1 05x after year 4
Capex	None	If Lev > 5 5x then 99 $125MM '00 $95MM 01 $60MM thereafter $50MM	$39MM $11 5MM year 1 3	None	None
Interest Coverage	1 5x – 2 0x by 2002	1 5x – 2 0x by year 3 5+	1 5x – 2 5x year 3 3+	1 5x 2 0x by year 2 5+	1 5x 2 0x by year 2 5
Debt Service Coverage	1 25x – 1 1x from year 3	1 25x	None	1 15x	None
Negative Covenants	Negative pledge $50MM debt basket $150MM sub debt basket $10MM seller financing No restricted payments if Lev <5 0x $20MM Investments excl Acquisitions Restricted Pmts if Lev<5x	$50MM aggregate unsecured debt & cap lease basket $50 MM investment basket $50MM acquisition basket if Lev 5 5x Distributions up to 25 of XS C F if Total Leverage < 5 5x Permitted asset sales if single sale < 15% and agg sales of 30% of Ann OCF Mngmt Fee 3Y Gross Rev	Mandatory prepayments on 50% XS C F 100% Asset Sales 100Y Equity 100° Debt [No details on baskets available]	Negative Pledge $10MM Permitted liens unlimited Cap Leases Restricted payments allows up to 50% of Ann XS C F $10MM distribution on future Pref Stock if Lev 5 5x Permitted asset sales if single sale < 75% and agg sales of 49% of Annualized OCF Unlimited CATV acqs $25MM Aggregate non CATV Acq Allowance per year ($100MM over life)	Negative Pledge $20MM Cap Leases Restricted payments allow up to [illegible] of Ann XS C F Restricted Pmts on Capital Stock when Lev [illegible] Permitted asset sales if single sale < 10 and agg sales of 25 of Ann OCF $250MM Aggregate Acqs when Lev [illegible] 5x
Amortization	Reductions RC TLA TLB 2002 10% 10% 1% 2003 19 % 19% 1% 2004 19% 19 1% 2005 21 21 1% 2006 21 21 1 2007 10 % 10 % 94 Mandatory Prepmnts 100% asset sales (12mos reinvestment period) 100% of debt issuance	RC TLA TLB 2002 10% 10% 1% 2003 15 % 15% 1% 2004 15 % 15% 1 % 2005 20% 20% 1% 2006 25 25 % 1% 2007 15 15% 1 % 1/29/08 Bullet Mandatory Prepmnts 100% asset sales (12mos reinvestment period)	Reductions RC TLA 2001 $10 6 2002 15 12 / 2003 15 15 % 2004 15 10 2005 15 21 % 2006 15 22 / 2007 15 6	RC Commitment Reductions 2001 5% 2002 10% 2003 15 % 2004 22% 2005 28% 3/31/06 20 % bullet	Reductions RC TLA 2002 20% 5 / 2003 12 5% 12 5/ 2004 15% 15 2005 20% 20 / 2006 22 5 / 22 5 2007 10 % 25 / Mandatory Prepmnt 100 [illegible] of [illegible] sales (12mos reinvestment period)
Grid based on Leverage Ratio	> 6 75x 250 TLB 275 6 50x 225 Grid TBD 6 00x 200 5 50x 175 5 0x 150 4 50x 125 4 00x 100 <4 00x 75	Total Leverage 6 5x 225 6 0x 200 5 5x 175 5 0x 150 4 5x 125 4 0x 100 <4 0x 75 0 TLB stepdown to L+250 when Lev<6 5	Total Leverage 6 5x 275 6 0x 275 5 5x 250 5 0x 225 4 5x 200 4 0 175 Less 25 bps after sub debt issued [illegible]	Total Leverage 6 50x 150 6 25x 125 6 0x 112 5 5 75x 87 5 5 25x 75 0 4 75x 62 5	Total Leverage > 6 75x 6 5x 200 6 0x 17 5 [illegible] 1 [illegible] 5 0x [illegible] 4 [illegible] 1 [illegible] 4 0x [illegible] 4 0x [illegible]

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Charter Communications Summary of Terms Analysis

Issuer	CCE II Holdings	CCE, LP	CCE I	Charter Southeast	CCE II
Parent Sr Unsec Rating				B/B3	
Deal Size ($MM)	$95MM	$130MM	$540MM	$640MM	$375MM
Month In Market	Nov 98	Oct 98	Sept 98	Jun 98	Jun 98
Purpose	Debt Repayment	Debt Repayment	Acquisition/Debt Rep	General Corporate	Acquisition
Secured	Yes	Yes	Yes	Yes	Yes
Type	TLC 95	TL	RC 175 TLA 280 TLC 85	RC 290 TLA 200 TLB 150	RC 165 TLA 100 TLB 105
Tenor	8 yrs	9 yrs	RC 8 yrs TLA 8 yrs TLC 8 5 yrs	RC 9 yrs TLA 9 yrs TLB 9 5 yrs	RC 8 yrs TLA 8 yrs TLB 9 yrs
Drawn Cost at Close (bps)	325	325	RC TLA 187 5 TLC 275	RC 150 TLA 150 TLB 200	RC TL 200 TLB 250
Financial Covenants					
EBITDA LQA	Yes		Yes	Yes	Yes
Interest Coverage Ratio	None	None	None		None
Fixed Charge Coverage Ratio	1 0	1 0	1 0	1 0	1 0
Pro Forma Debt Service	Til 12/98 1 35 and thereafter 1 10	1 10	1 10	1 25	Nov Dec 98 1 15 and thereafter 1 10
Sr Leverage		None	None		None
OpCo & Sub Leverage	5 25 with step downs				
Total Leverage	8 75	5 5 with step downs	5 5 with step downs	5 25 with step downs	5 25 with step downs
Amortization	Quarterly Period % of Loan Q2 2002 0 166 Q3 2002 0 167 Q3 2002 0 167 2003 2005 0 25% Q1 2006 32 166% Q2 Q3 2006 32 167%	Quarterly Period % of Loan 2002 2006 0 25 Q1 2007 0 25 Q3 2007 47 50% Q4 2007 47 50%	Quarterly RC and TLA Period % of Loan 2002 4 4 2003 3 75% 2004 5 125% 2005 6 5% 2006 8 63% TLC Period % of Loan 2002 0 25% 2003 0 25 2004 0 25 2005 0 25% Q1 Q3 06 0 25% Q4 06 22 25% 2007 73 250	Quarterly RC TLA Period % of Loan 2002 2 750% 2003 3 65% 2004 3 65% 2005 4 75% 2006 5 95% 2007 8 50% TLB Q1 02 Q2 07 0 25% Q3 07 & Mat date 47 25%	Quarterly RC TLA Period % of Loan 2001 1 25% 2002 3 75% 2003 4 5 2004 5 0% Q1 05 42% TLB Period % of Loan Q4 99 0 5% 2000 01 0 25 2004 1 25 2005 17 2% 2006 21 7%

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Exhibit C Comparable Cable Transactions

	TWFanch-One	Bresnan Communications	Interlink Communications	Texas Cable	Parnassos
Parent Sr Unsec Rating	NR	BB /Ba3	NR/NR	[illegible]	[illegible]
Deal Size (MM)	$850	$650	[illegible]	[illegible]	[illegible]
Month in Market	In Market	Jan 99	Nov 98	Oct 98	[illegible]
Purpose	Refinance	Refinance GCP	Refinance Acquisition	Refinance	[illegible]
Secured	Yes	Yes	Yes	Yes	Yes
Type	RC 350 TLA 300 TLB 200	RRC 150 TLA 328 TLB 172	RRC 100 TL 250	RC 500 TL [illegible]	RRC 350 TL [illegible]
Tenor	RC 8 5 TLA 8 5 TLB 9	RRC 8 5 yrs TLA 8 5 yrs TLB 9 yrs	RC 8 25 yrs TL 8 25 yrs	RC 9 yrs TL 9 yrs	RRC 8 5 yrs TL 8 5 yrs
Upfront Fees	37 5 50 0			62 5	
Drawn Cost at Close (bps)	RC 225 TLA 225 TLB 275	RRC 200 TLA 200 TLB 275	RC 275 TL 275	RC 200 TL 200	RRC 200 TL 200
Pricing Grid (bps)	Above set for 6months				
≥ 6 75x Leverage					
≥ 6.5x, <6 75	250	225	275	225	200 0
≥ 6.25x, <6.5	225	225	275	200	200 0
≥ 6.0 <6.25	200	200	275	75	200 0
≥ 5.75 <6 0	200	200	275	175	187 5
≥ 5 5 <5 75	175	175	250	150	162 5
≥ 5.25 <5.5	175	175	250	150	125 0
≥ 5.0 <5.25	150	150	225	125	125 0
≥ 4 75 <5 0	150	150	225	125	100 0
≥ 4.5 <4 75	125	125	200	100	100 0
≥ 4 0, <4.5	100	125	200	100	75 0
≥ 3 5 <4 0	75	100	175	75	75 0
>3.25 <3.5	75	75	150	62 5	75 0
<3.25					
Undrawn (bps)	37 5 <5 5x 25 0	≥5 0x 37 5 <5 0x 25 0	≥5 5x 50 ≥4 0x <5 5x 37 5 <4 0x 25 0	≥5 0x 37 5 <5 0x 25 0	≥ 4 5x 37 5 < 4 5x 25 0
Credit Statistics	PF99 Estimated	12/31/98E	PF 12/31/98	PF 12/31/98	PF 6/30/98
Rev (SMM)	229 1	$266 40	$109 70	$490 40	$212 92
EBITDA ($MM)	117 6	$114 50	$51 85	$197 31	$106 93
Sr Sec. Debt	776 3	$549 20	$317 50	$1 300 00	NA
Total Debt	776 3	$719 20	$317 50	$1 300 00	$664 00
Sr Sec. Debt/EBITDA	6 6	4 77x	6 1x	6 6X	NA
Total Debt/EBITDA	6 6	6 24x	6 1x	6 6x	6 2x
Capex	89 2	56 9	$25 30	$0 00	NA
EBITDA/Interest	2 1	NA	9 5x	NA	2 1
EBITDA - Capex/Interest	0 5	NA	1 9x	NA	NA
Subscribers (parent)	524 917	655 800	243 091	1 120 200	0
Subscribers (sub)	NA	239 000	NA	NA	476 405

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Exhibit C Comparable Cable Transactions

	Avalon	Insight	CCE-I	Charter Southeast	CCE II
Parent Sr Unsec Rating	NR NR	NR NR		B B_	
Deal Size (MM)	$221	$550	$540	$6[illegible]	$[illegible]
Month in Market	Oct 98	Oct 98	Sep 9[illegible]	Jun 98	[illegible]
Purpose	Refinance Acq	GCP	Acquisition Det	GCP	[illegible]
Secured	(Yes)[1]	Yes	Yes	Yes	Yes
Type	RC 30 TLA 121 TLB 170	RC 250 TLA 300	RC 175 TLA 280 TLC 85	RC TL 290 TLA 2[illegible] TLB 150	RC 1[illegible] TLA 1[illegible] TLB [illegible]
Tenor	RC 7 yrs TLA 7 yrs TLB 8 yrs	RC 8 yrs TLA 8 yrs	RC 8 yrs TLA 8 yrs TLC 8 5 yrs	RC TL 9 yrs TLA 9 yrs TLB 9 5 yrs	RC TLA 8 yrs TLB 9 yrs
Upfront Fees	100				
Drawn Cost at Close (bps)	RC 300 TLA 300 TLB 375	RC 200 TL 200	RC TLA 187 5 TLC 275	RC 150 TLA 150 TLB 200	RC TL 200 TLB 250
Pricing Grid (bps)					
≥ 6 75x Leverage					
≥ 6.5x, <6 75	300				
≥ 6.25x, <6 5	300	200			
≥ 6 0 <6.25	300	200			
≥ 5 75 <6 0	300	175	187 5		200
≥ 5 5 <5 75	275	175	187 5		2[illegible]
≥ 5.25 <5 5	275	137 5	187 5	150	175
≥ 5 0 <5.25	250	137 5	187 5	150	175
≥ 4 75 <5 0	250	112 5	162 5	137 5	162 5
≥ 4 5 <4 75	225	100	162 5	137 5	162 5
≥ 4 0 <4 5	225	100	137 5	100	137 5
≥ 3 5 <4 0	200	87 5	125	75	100
>3.25 <3.5	175		125	75	75
<3.25			125	62 5	75
Undrawn (bps)	50 0	≥5 0x 37 5 <5 0x 25 0		>4 0x 37 5 <4 0x 25 0 >4 0x 37 5 <4 0x 25 0	
Credit Statistics	PF 9 mos 6/30/98	PF 12/31/99		LTM 6 30 98	
Rev ($MM)	$76 68	$131 10		$19[illegible]	
EBITDA ($MM)	$35 72	$73 40		$96 07	
Sr Sec. Debt	$224 50	NA		$413 90	
Total Debt	$325 00	$460 00		$73[illegible] 69	
Sr Sec. Debt/EBITDA	6 3x	NA		[illegible]x	
Total Debt/EBITDA	9 09	6 3x		5 06x	
Capex	$17 85	NA		$82 23	
EBITDA/Interest	1 5x	2 3x			
EBITDA Capex/Interest	0 76x	NA			
Subscribers (parent)	249 523	[illegible]		1 206 000	
Subscribers (sub)	NA	323 32[illegible]		[illegible] 200	

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Exhibit C Comparable Cable Transactions

	Lenfest Communications	Falcon Cable	Cablevision	Frontiervision
Parent Sr Unsec Rating	BB- Ba3	NR B2	BB+ Ba2	B B
Deal Size (MM)	$300	$ 150	$2 800	[illegible]
Month in Market	Jun 95	Mar 96	Feb 98	Jan 9
Purpose	Refinance Acq	JV Finance	Debt Repayment	Acquisition
Secured	No	Yes		Yes
Type	RRC 300	RRC 650 TL B 200 TL C 300	RC 2800	RC 300 TLA 250 TLB 250
Tenor	RRC 7 6 yrs	RRC 8 5 yrs TL A 9 yrs TL B 8 5 yrs	RC 364-days	RC 8 YRS TLA 8 YRS TLB 8 YRS
Upfront Fees			33	NA
Drawn Cost at Close (bps)	RRC 125	RRC 87 5 TLB 175 TLC 200	RC 75	RC 225 TLA 225 TLB 237 5
Pricing Grid (bps)				
≥ 6.75x Leverage	150			
≥ 6.5x, <6 75	150			225
≥ 6.25x, <6.5	125			200
≥ 6 0, <6.25	125		112 5	200
≥ 5 75 <6 0	112 5	137 5 200 225	112 5	175
≥ 5.5 <5.75	1 2 5	137 5 200,225	87 5	75
≥ 5.25 <5 5	87 5	112 5 175,200	75	50
≥ 5.0 <5.25	87 5	112 5 175 200	75	150
≥ 4 75 <5.0	75	87 5 175,200	60	137 5
≥ 4 5 <4 75	75	87 5 175,200	60	137 5
≥ 4 0 <4 5	62 5	62 5 150 175	[illegible]	125
≥ 3.5 <4 0	62 5	50 0 150 175		112 5
>3.25 <3.5	62 5			1 2 5
<3.25				
Undrawn (bps)	≥5 0 37 5 <5 0 25 0	≥5 0 37 5 <5 0 25 0	33	37 5
Credit Statistics	FYE 12/31/1997	12 31 97 LOA	12/31 97	PF 12/31/1998
Rev ($MM)	$413 80	$472 63	$1 949 36	$244 84
EBITDA ($MM)	$210 10	$187 45	$580 98	$118 13
Sr Sec. Debt	$999 60	$912 00	$2 240 36	$507 50
Total Debt	$ 290 60	$1 578 14	$5 579 35	$707 50
Sr Sec. Debt/EBITDA	4 8x	4 9x	3 8x	4 3x
Total Debt/EBITDA	6 2x	8 4x	[illegible]	5 99x
Capex	$67 50	NA	$457 59	$41 39
EBITDA/Interest	1 7x	1 9x	1 57x	1 85x
EBITDA Capex/Interest	1 2x	NA	0 33x	1 2x
Subscribers (parent)		NA	2 844 408	[NA]
Subscribers (sub)	991 757	975 000		567 900

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Exhib C Comparable Cable Transactions

	Marcus Cable	Adelphia Chelsea	Adelphia UCA	Adelphia HVA
Parent Sr Unsec. Rating	B2	Ba2	Ba[illegible]	B[illegible]
Deal Size (MM)	$[illegible] 100	$690	$200	$[illegible]
Month in Market	Feb 9[illegible]	Apr 9[illegible]	Ma[illegible] 9[illegible]	[illegible]
Purpose	Refinance	Acquisition (Chelsea)	Acquisition Re[illegible]	Acquisition [illegible]
Secured	Yes	Yes	Yes	Yes
Type	RRC 310 TL A 490 TL B 300	RC 540 TLB 150	RC 20	RC 200
Tenor	RRC TL A 7 75 yrs TL B 8 75 yrs	RC [illegible] 7 yrs TLB 8 7 yrs	RC 8 5	RC 8[illegible]
Upfront Fees	NA	NA	NA	NA
Drawn Cost at Close (bps)	RRC 137 5 TLA 137 5 TLB 225 0	RC 200 TLB 275	RC 87 5	RC 200
Pricing Grid (bps)				
≥ 6 75x Leverage				
≥ 6.5x, <6 75	200 0 225 0			
≥ 6.25x, <6.5	175 0 225 0	200		200
≥ 6 0 <6.25	150 0 225 0	200		200
≥ 5 75 <6 0	150 0 225 0	175	187 5	187 5
≥ 5 5 <5 75	137 5 225 0	175	187 5	187 5
≥ 5.25 <5 5	137 5 225 0	150	187 5	150
≥ 5 0 <5.25	112 5 200 0	125	162 5	150
≥ 4.75 <5 0	112 5 200 0	125	137 5	150
≥ 4 5 <4 75	87 5 200 0	100	137 5	150
≥ 4 0 <4.5	87 5 200 0	100	[illegible]2 5	100
≥ 3 5 <4 0	75 0 200 0	75	87 5	75
>3.25, <3.5	75 0 200 0	62 5		75
<3.25				
Undrawn (bps)	≥5 0x 37 5 <5 0x 25 0	35	37 5	37 5
Credit Statistics	FYE (12/31/97)(OpCo)	3 31 98	No Available	3 31 98
Rev ($MM)	$434 50	$403 60		$403 60
EBITDA ($MM)	$204 29	$265 42		$265 42
Sr Sec. Debt	$855 00	$1 229 00		$1 229 00
Total Debt	$1 438 47	$2 124 62		$2 124 62
Sr Sec. Debt/EBITDA	4 18x	4 6x		4 6x
Total Debt/EBITDA	7 04x	8 0x		8 0x
Capex	$120 91	$100 89		$100 89
EBITDA/Interest	2 51x	1 2x		1 2x
EBITDA Capex/Interest	0 58x	0 7x		0 7x
Subscribers (parent)		1 868 440		1 868 440
Subscribers (sub)		1 039 704		1 039 704

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[illegible] 3 1 99 11 07 PM

G. Bank Universe

Bank & Institutional Lending Commitments at 12/31/98

(Dollars in Thousands)

Lenders	Total Purchases	Tex Chelsea	Tex UCA ACTV	Tex ACP	Tex HHC	Tex Highland	[illegible] SW Virginia	[illegible] SW Virginia	Adelphia Total	Frontier's [illegible]	Adelphia & Frontier's
Banks											
Bank of America	41 846	74 000	14 527	41 292	[illegible]700	17 083			204 24[illegible]		[illegible]
Bank Of Nova Scotia	41 848	39 312	2 450	14 733	9 625	49 238			[illegible]025		[illegible]
Canadian Imperial Bank	35 000	44 275		12 934	21 962	24 375			138 546	[illegible]	[illegible]
First Union	35 000	18 500	34 237	13 280	15 460	27 787			144 264	[illegible]	[illegible]
Credit Lyonnais	35 000	32 375	21 788	21 580	27 475				138 218	[illegible]	[illegible]
Toronto Dominion Texas	31 868	51 112		25 819	15 700	14 825			139 [illegible]		[illegible]
Fleet Bank	35 000	39 651		20 750		9 750			105 151	22 000	[illegible]
Provident PNC	35 000	23 125	21 817	12 450	17 082				109 253	15 700	[illegible]
Van Kampen		47 143	15 001	17 814	28 570				110 028	15 000	[illegible]
Bank Of Montreal	35 000	13 875		8 300	7 610	27 787			92 572	24 000	[illegible]
Chase Manhattan		29 825			19 625	24 375			73 825	38 000	[illegible]
Societe Generale		18 500	21 789	14 732	27 475				82 496		82 496
Bank of Tokyo		16 188	8 225	8 300	5 642				38 355	24 000	62 355
Bank Of New York	25 000			18 260					43 260	16 700	59 960
Rabobank Nederland	35 000								35 000	22 000	57 000
Sumitomo Bank		13 875		12 450	16 382				42 707	12 000	54 707
ABN AMRO Bank, NV		23 125		12 450					35 575	16 700	52 275
LTCB				20 750					20 750	24 000	44 750
Mees Pierson	25 000				17 038				42 038		42 038
Crestar	15 000	13 875							28 875	12 000	40 875
Dresdner Bank	20 000								20 000	18 700	38 700
Royal Bank of Canada					19 625				19 625	16 700	36 325
Barclays Capital PLC	35 000								35 000		35 000
Credit Suisse First Boston	35 000								35 000		35 000
Salomon Brothers Holding Co	35 000								35 000		35 000
Paribas				14 477					14 477	16 700	31 177
First Hawaiian Bank	15 000								15 000	12 000	27 000
Banque Nationale de Paris	15 000								15 000	12 000	27 000
SunTrust Bank, Central Fl				14 477					14 477	12 000	26 477
Hypovereinsbank	25 000								25 000		25 000
Natexis	15 000								15 000	10 000	25 000
Lehman Brothers, Inc	25 000								25 000		25 000
First National Bank Chicago										24 000	24 000
M&T Bank	15 000		8 300						23 300		23 300
IBJ		23 125							23 125		23 125
CIC Union				20 750					20 750		20 750
STB Delaware Funding Trust I				18 260					18 260		18 260
SE Banken				17 292					17 292		17 292
Citizens										16 700	16 700
Bank of Boston										16 700	16 700
Mellon Bank										16 700	16 700
First National Bank of Maryland	15 000								15 000		15 000
USTrust	15 000								15 000		15 000
Commercial Loan Funding I		13 875							13 875		13 875
Sakura Bank		13 875							13 875		13 875
Banker's Trust Co				12 450					12 450		12 450
National Bank Of Canada				12 450					12 450		12 450
Mitsubishi Trust & Banking Corp										12 000	12 000
Fuji Bank Ltd										12 000	12 000
Industrial Bank of Japan										12 000	12 000
Colorado National										12 000	12 000
Dai-Ichi Kangyo Bank, Ltd	10 000								10 000		10 000
Octagon Loan Trust		9 925							9 925		9 925
National City B			8 469						8 469		8 469
Bank Of Ireland				8 300					8 300		8 300
Banque Indosuez										8 000	8 000
Union Bank		6 938							6 938		6 938
Total Banks	700 000	566,494	166 000	394 250	274 750	195 000	0	0	2 296 494	546 000	2 842,494
Institutions											
Merrill Lynch		42 181							42 181	12 000	54 181
Morgan Guaranty Trust Co										38 000	38 000
Eaton Vance (TD)		19 850							19 850	15 000	34 850
Captive Chancellor		7 444							7 444	15 000	22 444
Pilgrim										15 000	15 000
ING Capital Advisors										15 000	15 000
Shenkman										15 000	15 000
Protective Asset Management										15 000	15 000
Octagon										12 000	12 000
GECC										12 000	12 000
Aetna							10 500		10 500		10 500
Putnam										10 000	10 000
Alliance										10 000	10 000
Apollo										10 000	10 000
Traveler's Insurance										10 000	10 000
Appaloosa										10 000	10 000
Cigna								9 000	9 000		9 000
TCW										8 000	8 000
Black Diamond										8 000	8 000
Cypress										8 000	8 000
Aegon										8 000	8 000
Pimco										8 000	8 000
Aeries Fund		7 443							7 443		7 443
Unum							5 500		5 500		5 500
Senior Income Trust		4 963							4 963		4 963
Phoenix Mutual							2 750		2 750		2 750
Total Institutions		81 881					18 750	9 000	109 831	254 000	363 831
Total Banks & Institutions	700 000	648,375	166,000	394 250	274 750	195,000	18,750	9,000	2,406,125	800 000	3,206,125

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Exhibit G Cable Investor Analysis

	Lenders	TWFanch One Feb-98 $550MM	Bresnan Comm. Jan 98 $950MM	InterMedia Nov 98 $350MM	Texas Cable Oct 98 $1,500MM	Avalon Oct 98 $321MM	Insight Oct 98 $550MM	Lenfest Comm. Jun-98 $300MM	Falcon Cable Mar 98 $1150MM	Frontier Vision Jan 98 $800MM	Time Warner Nov 97 $7,500MM	Marcus Cable Feb-97 $1,100MM	Citizen Century $200MM	Kansas City Cable $500MM	Jones Cable $500MM	Charter/Marcus	# of Names Banked
1	Fleet	X		X	X	X	X		X		X	X	X	X		X	11
2	Bank of Nova Scotia	X			X		X	X			X			X	X		8
3	CIBC	X			X		X		X		X		X	X	X	X	9
4	PNC Bank	X	X		X		X	X					X		X	X	8
5	Credit Lyonnais	X			X				X		X			X	X	X	7
6	Dresdner	X	X	X	X		X		X			X		X		X	9
7	TD Securities	X	X		X				X		X				X	X	7
8	ABN Amro Bank	X	X	X	X		X		X		X					X	8
9	Bank of America	X	X		X				X		X		X			X	7
10	BankBoston	X			X		X		X		X	X	X	X		X	9
11	Chase	X	X		X				X	X	X					X	7
12	Societe Generale	X			X						X		X	X	X	X	7
13	Bank of Montreal	X		X	X		X									X	5
14	Bank of New York	X	X		X		X				X	X		X			7
15	Banque Nationale de Paris (BNP)	X			X			X	X		X			X		X	7
16	NationsBank						X	X	X		X				X		5
17	Rabobank	X	X	X	X		X		X							X	7
18	Banque Paribas		X	X			X				X			X	X	X	7
19	First Hawaiian Bank	X	X		X		X							X		X	6
20	Royal Bank of Canada	X			X			X			X			X	X	X	7
21	Dai Ichi Kangyo Bank (DKB)	X	X					X			X			X		X	6
22	Fuji Bank	X	X						X		X			X		X	6
23	Sumitomo Bank	X							X		X					X	4
24	Sun Trust		X					X	X			X		X		X	6
25	Citizens Bank	X	X				X					X				X	5
26	City National			X			X		X			X				X	5
27	Corestates											X	X		X		3
28	Credit Agricole/Indosuez	X	X		X									X		X	5
29	Credit Local de France (CLF)	X	X				X		X					X			5
30	Crestar Bank				X									X		X	3
31	DG Bank	X	X		X		X							X			5
32	First Union			X						X						X	3
33	Industrial Bank of Japan (IBJ)								X		X			X		X	4
34	LTCB										X		X	X	X	X	5
35	Mees Pierson Capital Corp	X	X		X									X			4
36	Mellon Bank N A				X		X				X		X		X		5
37	Salomon Smith Barney		X					X				X			X		4
38	Union Bank			X		X			X							X	4
39	Bank of Tokyo Trust Company	X			X		X										3
40	Bankers Trust			X			X					X				X	4
41	Citibank				X						X	X				X	4
42	First National Bank of Maryland						X	X								X	3
43	Summit Bank							X	X					X		X	4
44	US Bank	X	X	X												X	4
45	Bank of Hawaii											X	X	X			3
46	Barclays										X			X			2
47	Bayerische Landesbank Girozentrale				X						X	X					3
48	Commerzbank	X			X						X						3
49	Deutsche Bank				X						X	X					3
50	Mitsubishi Trust	X									X					X	3
51	Westdeutsche Landesbank	X			X									X			3
52	Bank of New England									X		X					2
53	BankOne			X								X					2
54	Bayerische Hypovereinsbank											X					1
55	Credit Suisse First Boston															X	1
56	Goldman Sachs & Co															X	1
57	Guaranty Federal Bank FSB				X							X					2
58	Hypo Vereinsbank	X	X														2
59	Michigan National Bank		X				X										2
60	Morgan Guaranty Trust									X	X						2
61	Natexis Banque-BFCE		X				X										2
62	Sakura Bank										X						1
63	State Street Boston Corp			X										X			2
64	Sumitomo T&B				X									X			2
65	Webster Bank	X					X										2
66	Banca Commerciale Italiana				X												1
67	Bayerische Vereinsbank						X										1

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Exhibit G Cable Investor Analysis

	Lenders	TWFanch-One Feb-99 $850MM	Gressman Comm. Jan 99 $650MM	Intermedia Nov-98 $250MM	Texas Cable Oct 98 $1,900MM	Avalon Oct 98 $321MM	Insight Oct 98 $550MM	Lenfest Comm. Jun-98 $300MM	Falcon Cable Mar 98 $1,150MM	Frontier Vision Jan-98 $600MM	Time Warner Nov 97 $7,500MM	Marcus Cable Feb-97 $1,100MM	Citizen Century $700MM	Kansas City Cable $500MM	James Cable $600MM	Charter/Marcus	# of Names Banked
	BCI	X															1
1	CIC Union Europeenne		X														1
2	Commerce Bank Kansas City													X			0
3	First Chicago									X							1
4	First Fidelity Bank																0
5	First Interstate Bank of Texas															X	0
6	GECC		X														1
7	Lehman Commercial Paper					X											1
8	M&T Bank																0
9	Midlantic Bank																0
10	Natwest Bank																0
11	Nippon Credit																0
12	Sanwa Bank										X						1
13	Tokai Bank										X						1
14	Union Bank of Switzerland										X						1
15	US Trust																0
16	Bank of Ireland															X	0
17	BFCE															X	0
18	First Dominion Bank															X	0
19	GECC															X	0
20	Heller Financial															X	0
21	Mercantile Bank															X	0
22	Morgan Stanley Dean Witter															X	0
23	National City															X	0
24	Sanwa Bank															X	0
25	Via Banque															X	0
26	Mercantile Bank			X													1
27	Yasuda Trust & Banking Co., Ltd										X						1
	Total Banks	34	75	14	12	3	25	10	20	5	31	18	10	79	17	49	

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Cable Investor Analysis

Funds	TWFanch Feb 99 $850MM	Bresnan Communications Jan 99 $875	Avalon Oct 98 $371MM	CCE I Sep 98 $540MM	CCE II Jun 98 $290MM	Charter Southeast Jun 98 $640MM	Falcon Mar 98 $1,150MM	Frontier Vision Jan 98 $600MM	Adelphia (Chelsea) Apr 96 $690	Citizen Century $200MM	# of Deals
1 Alliance Capital	X	X									2
2 Allstate	X	X									2
3 American Money Mgmt		X									1
4 Angelo Gordon	X	X									2
5 Appaloosa	X	X									2
6 Bain Capital		X									1
7 Black Diamond		X									1
8 Caravelle	X	X									2
9 CHL High Yield Loan Portfolio									X		1
10 Conseco											0
11 Crescent/TCW											0
12 Cypress	X	X									2
13 Eaton Vance	X	X									2
14 First Dominion		X									1
15 Franklin	X	X									2
16 General Re	X	X									2
17 Harch Capital		X									1
18 Highland Capital	X	X									2
19 Imperial Credit	X	X									2
20 Indosuez Capital	X	X									2
21 ING Capital	X	X									2
22 Invesco	X	X									2
23 KZH Riverside	X	X									2
24 Liberty View Capital		X									1
25 MLAM	X	X									2
26 MSDW Prime Income	X	X									2
27 JP Morgan Investment	X	X									2
28 Mountain Capital		X									1
29 Mass Mutual											0
30 Merrill Lynch Sr Floating Rate	X								X		2
31 Met Life											0
32 New York Life	X										1
33 Oak Hill		X									1
34 Octagon	X	X									2
35 ORIX USA		X									1
36 Paribas LLC											0
37 PIMCO		X									1
38 Pilgrim	X	X									2
39 PPM											0
40 Protective Life Insurance									X		1
41 Putnam											0
42 Scudder/Kemper											0
43 Shenkman	X	X									2
44 Stanfield Capital		X									1
45 Stein Roe		X									1
46 Sterling Asset Management	X										1
47 Sun America KZH Soleil	X	X									2
48 Thoroughbred Ltd Partnership I									X		1
49 Travelers	X	X									2
50 Van Kampen American Capital	X										1
51 VKM		X									1
Total Institutional Investors	27	36	0	0	0	0	0	0	4	0	

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H. Franchise List / Map

Number	State	Franchise Name	Expiration Date
1	FL	City of Atlantis	01/30/2008
2	FL	City of Belle Glades	08/10/1996
3	FL	City of Boca Raton	11/22/2000
4	FL	City of Boynton Beach	01/03/2009
5	FL	City of Clewiston	06/17/2006
6	FL	City of Deerfield Beach	04/10/1999
7	FL	City of Delray Beach	07/22/2004
8	FL	City of Greenacres	03/27/2008
9	FL	City of Miramar	01/18/2004
10	FL	City of Moore Haven	10/05/2002
11	FL	City of Okeechobee	02/07/2001
12	FL	City of Pahokee	04/20/2000
13	FL	City of Pembroke Pines	03/16/2003
14	FL	City of South Bay	10/18/2003
15	FL	County of Broward	04/06/2001
16	FL	County of Glades	04/18/2003
17	FL	County of Henry	01/13/2080
18	FL	County of Okeechobee	09/21/2000
19	FL	County of Palm Beach	07/07/2008
20	FL	Town of Haverhill	02/11/2018
21	FL	Village of Palm Springs	06/10/2013
22	FL	Village of Wellington	01/01/2006
23	MI	Township of Almena	03/19/2006
24	MI	Township of Antwerp	07/07/2013
25	MI	Township of Decatur	11/14/2010
26	MI	Township of Hamilton	06/24/2013
27	MI	Township of Lawrence	04/11/1999
28	MI	Township of Marcellus	08/19/2010
29	MI	Township of Oshtemo	06/10/1999
30	MI	Township of Paw Paw	10/11/2013
31	MI	Township of Porter	09/12/2010
32	MI	Township of Texas	02/23/1997
33	MI	Township of Volina	08/29/2005
34	MI	Township of Waverly	07/07/2013
35	MI	Village of Decatur	09/23/2010
36	MI	Village of Lawton	07/11/2003
37	MI	Village of Paw Paw	07/09/2003
38	NC	City of Elizabeth City	03/04/2001
39	NC	County of Hertford	09/19/1998
40	NC	County of Pasquotank	03/04/2001
41	NC	Town of Ahoskie	08/18/2001
42	NC	Town of Murfreesboro	02/27/2011
43	NC	Town of Winton	09/27/1999
44	NC	Village of Cofield	06/30/2004
45	OH	City of Aurora	04/02/1996
46	OH	City of Hudson Village	10/01/1998
47	OH	City of Macedonia	04/02/1996
48	OH	City of Twinsburg	02/24/1996
49	OH	Township of Mantua	07/21/2003
50	OH	Township of Northfield Center	03/02/1996
51	OH	Township of Sagamore Hills	03/05/1996
52	OH	Township of Shalersville	10/17/1999
53	OH	Township of Twinsburg	03/09/1996
54	OH	Village of Boston Heights	11/10/2012
55	OH	Village of Greenwood	12/31/2006
56	OH	Village of Hiram	10/11/2013
57	OH	Village of Mantua	02/13/1999
58	OH	Village of Reminderville	03/10/1996
59	PA	Borough of Beaver	10/08/2005
60	PA	Borough of Braddock	03/24/2008
61	PA	Borough of Bridgewater	10/19/2005
62	PA	Borough of Churchill	09/08/2006
63	PA	Borough of East McKeesport	04/14/2005
64	PA	Borough of East Pittsburgh	11/18/2003
65	PA	Borough of East Rochester	09/11/2004
66	PA	Borough of Falls Creek	02/18/2001

Number	State	Franchise Name	Expiration Date
67	PA	Borough of Freedom	08/15/2004
68	PA	Borough of Hatboro	07/16/2004
69	PA	Borough of Lansdale	01/05/2000
70	PA	Borough of Monaca	01/02/2006
71	PA	Borough of North Braddock	12/27/1999
72	PA	Borough of North Wales	05/24/2006
73	PA	Borough of Rankin	04/20/2002
74	PA	Borough of Rochester	11/04/2005
75	PA	Borough of South New Castle	10/16/2009
76	PA	Borough of Trafford	06/09/2005
77	PA	Borough of Turtle Creek	09/11/2010
78	PA	City of DuBois	10/22/2002
79	PA	City of New Castle	10/01/2009
80	PA	Municipality of Monroeville	05/06/2001
81	PA	Township of Brighton	01/01/2006
82	PA	Township of Haverford	03/02/2006
83	PA	Township of Hickory	07/11/2008
84	PA	Township of Horsham	06/15/2005
85	PA	Township of Mahoning	01/01/2009
86	PA	Township of Marple	06/08/2007
87	PA	Township of Montgomery	01/17/2004
88	PA	Township of Neshannock	01/01/2011
89	PA	Township of North Huntington	01/17/2009
90	PA	Township of Plain Grove	12/11/2002
91	PA	Township of Rochester	08/21/2004
92	PA	Township of Scott	08/12/2009
93	PA	Township of Shenango	06/12/2007
94	PA	Township of Towamencin	07/31/2000
95	PA	Township of Union	05/25/2008
96	PA	Township of Upper Dublin	07/01/2005
97	PA	Township Upper Gwynedd	01/23/1999
98	PA	Township of Vanport	12/17/2004
99	PA	Township of Washington	10/13/2010
100	PA	Township of Wilkins	07/11/2007
101	PA	Township of Wilmington	06/10/1999
102	PA	Township of Winslow	04/01/2014
103	SC	County of Beaufort	03/31/2007
104	SC	Town of Hilton Head Island	03/31/2007
105	VA	City of Colonial Heights	Perpetual
106	VA	City of Emporia	11/16/2006
107	VA	City of Hopewell	02/21/2002
108	VA	City of Lynchburg	03/10/2003
109	VA	City of Petersburg	01/08/1992
110	VA	County of Amherst	07/21/2001
111	VA	County of Bedford	09/23/2008
112	VA	County of Dinwiddie	02/14/2001
113	VA	County of Greensville	06/15/2004
114	VA	County of Halifax	03/01/1996
115	VA	County of Mecklenburg	04/12/1996
116	VA	County of Prince George	01/12/2020
117	VA	County of Rockbridge	01/23/2005
118	VA	Fort Lee	Perpetual
119	VA	Town of Amherst	06/13/2006
120	VA	Town of Craigsville	04/15/2003
121	VA	Town of Elkton	04/15/1999
122	VA	Town of Grottoes	10/10/2004
123	VA	Town of Halifax	03/01/1996
124	VA	Town of LaCrosse	06/03/2006
125	VA	Town of Luray	03/10/2006
126	VA	Town of McKenney	01/12/1999
127	VA	Town of Shenandoah	10/12/2001
128	VA	Town of South Boston	02/03/2007
129	VA	Town of South Hill	07/30/2008
130	VA	Town of Stanley	10/19/2004